

SWELLENDAM

MUNICIPALITY



UNAUDITED

FINANCIAL STATEMENTS

30 JUNE 2014

SWELLENDAM LOCAL MUNICIPALITY

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SWELLENDAM LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Swellendam is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Swellendam includes the following areas:

Swellendam

Barrydale

Suurbraak

Buffeljagrsivier

Malagas

Infanta

MAYOR

Mr N.G. Myburgh

MAYORAL COMMITTEE

Mr N.G. Myburgh - Executive Mayor

Mr R.C. Carelse - Deputy Mayor

Mr H. Hartrick - Member

ACTING MUNICIPAL MANAGER

Mr.C.M. Africa

ACTING CHIEF FINANCIAL OFFICER

Mr J De Jager

REGISTERED OFFICE

49 Voortrekker Street

SWELLENDAM

6740

AUDITORS

Auditor General South Africa

Private Bag X1,

Chempet, 7442

PRINCIPLE BANKERS

FNB Swellendam, P.O. Box 10, Swellendam

ATTORNEYS

Powell Kelly Veldman, P.O. Box 18, Swellendam

RELEVANT LEGISLATION

SWELLENDAM LOCAL MUNICIPALITY

MEMBERS OF THE SWELLENDAM LOCAL MUNICIPALITY

WARD

COUNCILLOR

Ward 1	Cllr J. du Toit Loubser
Ward 2	Cllr M.T.A. Swart
Ward 3	Cllr H. Hartnick
Ward 4	Cllr M.J. Koch
Ward 5	Cllr D.C. Pietersen
Proportional	Cllr N.G Myburgh
Proportional	Cllr R.C.Carelse
Proportional	Cllr G. Libazi
Proportional	Cllr J.C. Nortje

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of the annual financial statements for the year ended 30 June 2014, which are set out on pages 1 to 88 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr C.M Africa
MUNICIPAL MANAGER
Date: _____

SWELLENHAM LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R (Actual)	2013 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		191 835 847	177 791 228
Housing Development Fund	2	3 947 333	3 976 740
Accumulated Surplus/(Deficit)		187 888 515	173 814 488
Non-Current Liabilities		62 700 653	75 504 220
Long-term Liabilities	3	32 437 212	34 335 935
Employee benefits	4	26 674 620	23 534 912
Non-Current Provisions	5	3 588 822	17 633 373
Current Liabilities		30 672 514	35 462 759
Consumer Deposits	6	1 269 296	1 152 103
Current Employee benefits	7	5 850 465	4 899 532
Provisions	8	2 869 611	4 849 493
Payables from exchange transactions	9	13 666 567	18 490 715
Unspent Conditional Government Grants and Receipts	10	4 974 889	4 070 775
Current Portion of Long-term Liabilities	3	2 041 684	2 000 141
Total Net Assets and Liabilities		285 209 014	288 758 207
ASSETS			
Non-Current Assets		251 507 645	256 065 543
Property, Plant and Equipment	13	229 181 258	226 591 287
Investment Property	14	19 777 280	25 198 913
Intangible Assets	15	78 795	71 170
Heritage Assets	16	1 820 206	3 453 349
Capitalised Restoration Costs	17	432 758	464 542
Long-Term Receivables	18	217 348	286 282
Current Assets		33 701 370	32 692 664
Inventory	19	14 027 841	16 643 084
Non-Current Assets Held For Sale		-	208 500
Receivables from exchange transactions	20	7 670 400	8 199 542
Receivables from non-exchange transactions	21	4 627 863	317 335
Operating Lease Asset	22	19 973	2 221
Taxes	12	5 359 802	2 241 053
Current Portion of Long-term Receivables	18	68 874	61 283
Cash and Cash Equivalents	23	1 926 617	5 019 646
Total Assets		285 209 014	288 758 207

SWELLENDAM LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 (Actual) R	2013 (Restated) R
REVENUE			
Revenue from Non-exchange Transactions		107 290 237	92 288 769
Taxation Revenue		25 223 225	21 457 222
Property taxes	24	25 223 225	21 457 222
Transfer Revenue		66 528 795	69 521 068
Government Grants and Subsidies - Capital	25	18 788 889	43 293 349
Government Grants and Subsidies - Operating	25	47 739 906	26 227 719
Other Revenue		15 538 217	1 310 479
Actuarial Gains	4	235 133	-
Fines		15 303 084	1 310 479
Revenue from Exchange Transactions		103 453 109	78 606 739
Service Charges	26	77 259 422	69 681 745
Rental of Facilities and Equipment		1 214 690	1 242 545
Interest Earned - external investments		661 663	527 019
Interest Earned - outstanding debtors		635 918	1 156 356
Licences and Permits		1 341 966	2 109 429
Agency Services		1 148 440	1 130 183
Other Income	27	21 171 010	2 759 460
Gain on disposal of Property, Plant and Equipment		20 000	0
Total Revenue		210 743 346	170 895 508
EXPENDITURE			
Employee related costs	28	54 094 140	49 987 276
Remuneration of Councillors	29	3 298 424	2 766 523
Debt Impairment	30	9 011 271	4 164 096
Depreciation and Amortisation	31	8 502 335	7 000 534
Impairments/Write- offs	32	15 968 896	48 496
Repairs and Maintenance		10 473 620	11 970 072
Actuarial losses	4	806 168	1 965 267
Finance Charges	33	6 005 681	6 140 514
Bulk Purchases	34	36 750 814	33 991 785
Grants and Subsidies	35	1 494 500	1 246 890
Stock Adjustments		2 623 118	177
Operating Grant Expenditure	36	21 833 813	4 392 258
General Expenses	37	24 533 508	18 579 265
Loss on disposal of Property, Plant and Equipment		1 302 438	12 845
Total Expenditure		196 698 727	142 265 997
NET SURPLUS/(DEFICIT) FOR THE YEAR		14 044 619	28 629 511

SWELLENDAM LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 JULY 2012	4 124 427	156 739 669	160 864 096
Change in accounting policy		-	-
Correction of error		(11 702 378)	(11 702 378)
Restated Balance at 1 JULY 2012	4 124 427	145 037 291	149 161 718
Net Surplus for the year		28 629 511	28 629 511
Transfer to housing	(147 687)	147 687	-
Balance at 30 JUNE 2013	3 976 740	173 814 488	177 791 229
Net Surplus for the year	-	14 044 619	14 044 619
Transfer from housing	(29 408)	29 408	-
Balance at 30 JUNE 2014	3 947 333	187 888 515	191 835 848

SWELLENDAM LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30 JUNE 2014 R	30 JUNE 2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		137 779 090	100 866 883
Government		67 432 907	66 293 722
Interest		1 297 581	1 683 376
Dividends		-	-
Payments			
Suppliers and employees		(179 159 077)	(115 555 539)
Finance charges	33	(6 005 681)	(6 140 514)
Transfers and Grants		(1 494 500)	(1 246 890)
Cash generated by operations	39	19 850 320	45 901 037
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	13	(21 257 353)	(45 379 920)
Purchase of Investment property		-	-
Proceeds on Disposal of Fixed Assets		20 000	0
Purchase of Heritage Assets		-	(61 144)
Purchase of Intangible Assets		(27 352)	(10 763)
Decrease in Long-term Receivables	18	61 343	56 024
Net Cash from Investing Activities		(21 203 362)	(45 395 803)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(2 062 167)	(1 742 796)
New loans raised		204 988	536 407
Increase in Consumer Deposits		117 193	50 444
Net Cash from Financing Activities		(1 739 987)	(1 155 945)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(3 093 029)	(650 711)
Cash and Cash Equivalents at the beginning of the year		5 019 646	5 670 357
Cash and Cash Equivalents at the end of the year	40	1 926 617	5 019 646
NET INCREASE IN CASH AND CASH EQUIVALENTS		(3 093 029)	(650 711)

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances (Amounts above R1.97 million)
ASSETS				
Current assets				
Cash	1 926 617	6 093 000	4 166 383	
Call investment deposits	-	1 128 000	1 128 000	
Consumer debtors	12 298 263	5 601 000	(6 697 263)	
Other Receivables	5 379 774	2 824 000	(2 555 774)	
Current portion of long-term receivables	68 874	61 000	(7 874)	
Inventory	14 027 841	16 563 000	2 535 159	
Total current assets	33 701 370	32 271 000	(1 431 369)	
Non current assets				
Long-term receivables	217 348	214 000	(3 348)	
Investments	-	-	-	
Investment property	19 777 280	25 314 000	5 536 720	
Property, plant and equipment	229 614 016	249 447 000	19 832 984	
Biological Assets	-	-	-	
Intangible Assets	78 795	55 000	(23 795)	
Heritage Assets	1 820 206	3 688 000	1 867 794	
Total non current assets	251 507 645	278 719 000	27 210 355	
TOTAL ASSETS	285 209 014	310 990 000	25 778 986	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	2 041 684	2 042 000	316	
Consumer deposits	1 269 296	1 212 000	(57 296)	
Trade and other payables	18 641 456	25 556 000	6 914 544	
Provisions and Employee Benefits	8 720 077	4 227 000	(4 493 077)	
Total current liabilities	30 672 514	33 036 000	2 364 486	
Non current liabilities				
Borrowing	32 437 212	32 294 000	(143 212)	
Provisions and Employee Benefits	30 263 442	33 329 000	3 065 558	
Total non current liabilities	62 700 653	65 623 000	2 922 347	
TOTAL LIABILITIES	93 373 167	98 659 000	5 286 833	
NET ASSETS	191 835 847	212 331 000	20 492 153	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	187 888 515	208 354 000	20 465 485	
Reserves	3 947 333	3 977 000	29 668	
TOTAL COMMUNITY WEALTH/EQUITY	191 835 847	212 331 000	(20 495 153)	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments (Amounts above R1.97 million)
ASSETS				
Current assets				
Cash	-	6 093 000	6 093 000	
Call investment deposits	-	1 128 000	1 128 000	
Consumer debtors	12 333 000	(6 732 000)	5 601 000	
Other Receivables	3 610 000	(786 000)	2 824 000	
Current portion of long-term receivables	45 000	16 000	61 000	
Inventory	<u>15 988 000</u>	<u>16 563 000</u>	<u>16 563 000</u>	
Total current assets	15 988 000	16 283 000	32 271 000	
Non current assets				
Long-term receivables	413 000	(199 000)	214 000	
Investment property	17 509 000	7 805 000	25 314 000	
Property, plant and equipment	279 312 000	(29 865 000)	249 447 000	
Intangible Assets	81 000	(26 000)	55 000	
Heritage Assets	<u>-</u>	<u>3 688 000</u>	<u>3 688 000</u>	
Total non current assets	297 316 000	(18 596 000)	278 719 000	
TOTAL ASSETS	<u>313 304 000</u>	<u>(2 313 000)</u>	<u>310 990 000</u>	
LIABILITIES				
Current liabilities				
Bank overdraft	3 727 000	(3 727 000)		
Borrowing	1 995 000	47 000	2 042 000	
Consumer deposits	1 184 000	28 000	1 212 000	
Trade and other payables	20 543 000	5 013 000	25 556 000	
Provisions and Employee Benefits	<u>7 509 000</u>	<u>(3 282 000)</u>	<u>4 227 000</u>	
Total current liabilities	34 958 000	(1 921 000)	33 036 000	
Non current liabilities				
Borrowing	52 917 000	(20 623 000)	32 294 000	
Provisions and Employee Benefits	<u>55 060 000</u>	<u>(21 731 000)</u>	<u>33 329 000</u>	
Total non current liabilities	107 977 000	(42 354 000)	65 623 000	
TOTAL LIABILITIES	<u>142 935 000</u>	<u>(44 276 000)</u>	<u>98 659 000</u>	
NET ASSETS	<u>170 369 000</u>	<u>41 962 000</u>	<u>212 331 000</u>	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	166 244 000	42 110 000	208 354 000	
Reserves	<u>4 125 000</u>	<u>(148 000)</u>	<u>3 977 000</u>	
TOTAL COMMUNITY WEALTH/EQUITY	<u>170 369 000</u>	<u>41 962 000</u>	<u>212 331 000</u>	

SWELLENDAAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances (Amounts above R1.97 million)
REVENUE BY SOURCE				
Property rates	25 223 225	27 492 000	2 268 775	
Service charges	77 259 422	90 357 000	13 097 578	
Rental of facilities and equipment	1 214 690	988 000	(226 690)	
Interest earned - external investments	661 663	400 000	(261 663)	
Interest earned - outstanding debtors	635 918	1 260 000	624 082	
Actuarial Gains	235 133			
Fines	15 303 084	3 319 000	(11 984 084)	
Licences and permits	1 341 966	1 000	(1 340 966)	
Agency services	1 148 440	1 914 000	765 560	
Government Grants and Subsidies - Capital	18 788 889		(18 788 889)	
Government Grants and Subsidies - Operating	47 739 906	56 573 000	8 833 094	
Other revenue	21 171 010	963 000	(20 208 010)	
Gains on disposal of PPE	20 000		(20 000)	
Total Operating Revenue	210 743 346	183 266 000	(27 241 213)	
EXPENDITURE BY TYPE				
Employee related costs	54 094 140	57 717 000	3 622 860	
Remuneration of councillors	3 298 424	3 373 000	74 576	
Debt impairment	9 011 271	4 637 000	(4 374 271)	
Depreciation & asset impairment	24 471 231	6 002 000	(18 469 231)	
Finance charges	6 005 681	6 742 000	736 319	
Actuarial losses	806 168			
Bulk purchases	36 750 814	39 450 000	2 699 186	
Grants and subsidies paid	1 494 500	1 412 000	(82 500)	
Stock Adjustments	2 623 118			
Other expenditure	56 840 941	72 035 000	15 194 059	
Loss on disposal of PPE	1 302 438	-	(1 302 438)	
Total Operating Expenditure	196 698 727	191 367 000	5 331 727	
Operating Surplus/(Deficit) for the year	14 044 619	(8 101 000)	22 145 619	
Government Grants and Subsidies - Capital	18 788 889	28 242 000	(9 453 111)	
Net Surplus for the year	32 833 508	20 141 000	12 692 508	

SWELLEN DAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments (Amounts above R1.97 million)
REVENUE BY SOURCE				
Property rates	25 472 000	2 020 000	27 492 000	
Property rates - penalties & collection charges		-	-	
Service charges	84 605 000	5 752 000	90 357 000	
Rental of facilities and equipment	1 004 000	(16 000)	988 000	
Interest earned - external investments	300 000	100 000	400 000	
Interest earned - outstanding debtors	1 635 000	(375 000)	1 260 000	
Dividends received		-	-	
Fines	1 769 000	1 550 000	3 319 000	
Licences and permits	1 000	-	1 000	
Agency services	1 919 000	(5 000)	1 914 000	
Government Grants and Subsidies - Operating	52 908 000	3 665 000	56 573 000	
Other revenue	1 140 000	(177 000)	963 000	
Gains on disposal of PPE		-	-	
Total Operating Revenue	170 753 000	12 514 000	183 266 000	
EXPENDITURE BY TYPE				
Employee related costs	56 061 000	1 656 000	57 717 000	
Remuneration of councillors	3 000 000	373 000	3 373 000	
Debt impairment	4 637 000	-	4 637 000	
Depreciation & asset impairment	6 002 000	-	6 002 000	
Finance charges	7 386 000	(644 000)	6 742 000	
Bulk purchases	37 410 000	2 040 000	39 450 000	
Grants and subsidies paid	1 390 000	22 000	1 412 000	
Other expenditure	62 531 000	9 504 000	72 035 000	
Loss on disposal of PPE		-	-	
Total Operating Expenditure	178 417 000	12 951 000	191 367 000	
Operating Deficit for the year	(7 664 000)	-437 000	(8 101 000)	
Government Grants and Subsidies - Capital	37 342 000	-9 100 000	28 242 000	
Net Surplus/(Deficit) for the year	29 676 000	(9 537 000)	20 141 000	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	137 779 090	124 624 000	(13 155 090)	
Government - operating	48 644 018	56 573 000	7 928 982	
Government - capital	18 788 889	28 242 000	9 453 111	
Interest	1 297 581	1 660 000	362 419	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(179 159 077)	(169 245 407)	9 913 670	
Finance charges	(6 005 681)	(6 742 000)	(736 319)	
Transfers and Grants	(1 494 500)	(1 412 000)	82 500	
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 850 320	33 699 593	13 849 273	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	20 000	-	(20 000)	
Decrease/(increase) in non-current receivables	61 343	72 000	10 657	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(21 284 705)	(29 630 000)	(8 345 295)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(21 203 362)	(29 558 000)	(8 354 638)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	204 988	-	(204 988)	
Increase/(decrease) in consumer deposits	117 193	60 000	(57 193)	
Payments				
Repayment of borrowing	(2 062 167)	(2 000 000)	62 167	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 739 987)	(1 941 000)	(200 013)	
NET INCREASE/(DECREASE) IN CASH HELD	(3 093 029)	2 200 593	5 294 622	
Cash and Cash Equivalents at the beginning of the year	5 019 646	5 020 000	354	
Cash and Cash Equivalents at the end of the year	1 926 617	7 221 000	5 294 383	

SWELLENDAM LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	115908000	8 716 000	124 624 000	
Government - operating	52908000	3 665 000	56 573 000	
Government - capital	38442000	(10 200 000)	28 242 000	
Interest	1935000	(275 000)	1 660 000	
Payments				
Suppliers and Employees	(167 991 000.00)	(1 254 407)	(169 245 407)	
Finance charges	(7 386 000.00)	644 000	(6 742 000)	
Transfers and Grants	(1 390 000.00)	(22 000)	(1 412 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	32 426 000	1 273 593	33 699 593	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets		-	-	
Decrease/(increase) in non-current receivables		-	-	
Decrease/(increase) in non-current investments		-	-	
Payments				
Capital assets	(58 442 000)	28 812 000	(29 630 000)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(58 442 000.00)	28 812 000	(29 630 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	20 000 000.00	(20 000 000)	-	
Increase/(decrease) in consumer deposits	83 000.00	(23 000)	60 000	
Payments				
Repayment of borrowing	(1 995 000.00)	(5 000)	(2 000 000)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	18 088 000.00	(20 028 000)	(1 941 000)	
NET INCREASE/(DECREASE) IN CASH HELD	(7 928 000)	10 057 593	2 128 593	
Cash and Cash Equivalents at the beginning of the year	4 202 000	818 000	5 020 000	
Cash and Cash Equivalents at the end of the year	3 726 000	3 495 000	7 221 000	

		2014 R	2013 R
2	NET ASSET RESERVES		
	Housing Development Fund	3 947 333	3 976 740
	Total Net Asset Reserves	3 947 333	3 976 740
3	LONG-TERM LIABILITIES		
	Annuity Loans - At amortised cost	33 984 556	35 671 936
	Capitalised Lease Liability - At amortised cost	475 364	499 804
	Hire Purchases Liability	18 976	164 336
		34 478 896	36 336 076
	Current Portion transferred to Current Liabilities	2 041 684	2 000 141
	Annuity Loans - At amortised cost	1 840 811	1 687 656
	Capitalised Lease Liability - At amortised cost	181 897	167 125
	Hire Purchases	18 976	145 360
		32 437 212	34 335 935
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	32 437 212	34 335 935
Annuity loans at amortised cost consist of 9 contracts with DBSA, calculated at interest rates, ranging between 8.075% and 15.9%, with a maturity date of 30 June 2015 of the last contract. The loans are unsecured.			
The obligations under annuity loans are scheduled below:			
		Minimum annuity payments	
	Amounts payable under annuity loans:		
	Payable within one year	5591582.4	5 596 869
	Payable within two to five years	20308989.73	21 268 304
	Payable after five years	43270348.64	47 239 382
		69 170 921	74 104 555
	Less: Future finance obligations	(35 186 640)	(38 432 619)
	Present value of annuity obligations	33 984 280	35 671 937
The obligations under finance leases are scheduled below:			
		Minimum lease payments	
	Amounts payable under finance leases:		
	Payable within one year	281419.34	203 197
	Payable within two to five years	234531.31	359 505
	Payable after five years	-	-
		515 951	562 702
	Less: Future finance obligations	-40586.06	(62 898)
	Present value of lease obligations	475 364	499 804
Leases are secured by property, plant and equipment - Note 13			
The capitalised lease liability consist out of the contracts as setout in Appendix B			
The obligations under hire purchase agreements are scheduled below:			
		Minimum Hire Purchase payments	
	Amounts payable under hire purchase agreements:		
	Payable within one year	19 068	155 302
	Payable within two to five years	-	19 068
	Payable after five years	-	-
		19 068	174 370
	Less: Future finance obligations	-92.22	(10 034)
	Present value of hire purchase obligations	18 976	164 336

4	EMPLOYEE BENEFITS	2014	2013
		R	R
	Post Retirement Benefits - Refer to Note 4.1	24 685 769	21 556 031
	Long Service Awards - Refer to Note 4.2	1 988 851	1 978 881
	Total Non-current Employee Benefit Liabilities	26 674 620	23 534 912
	<u>Post Retirement Benefits</u>	2014	2013
		R	R
	Balance 1 July	22 061 929	18 704 246
	Contribution for the year	1 049 783	897 282
	Interest Cost	1 846 625	1 454 843
	Expenditure for the year	(554 768)	(524 278)
	Actuarial Loss	806 168	1 529 836
	Total post retirement benefits 30 June	25 209 737	22 061 929
	Less: Transfer of Current Portion - Note 7	(523 968)	(505 898)
	Balance 30 June	24 685 769	21 556 031
	<u>Long Service Awards</u>		
	Balance 1 July	2 225 611	1 636 016
	Contribution for the year	285 596	200 898
	Interest Cost	154 393	101 978
	Expenditure for the year	(184 645)	(148 712)
	Actuarial Gain/(Loss)	(235 133)	435 431
	Total long service 30 June	2 245 822	2 225 611
	Less: Transfer of Current Portion - Note 7	(256 971.00)	(246 730)
	Balance 30 June	1 988 851	1 978 881

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	24 287 540	20 340 262
Contribution for the year	1 335 379	1 098 180
Interest cost	2 001 018	1 556 821
Expenditure for the year	(739 413)	(672 990)
Actuarial Loss/(Gain)	571 035	1 965 267
Total employee benefits 30 June	27 455 559	24 287 540
Less: Transfer of Current Portion - Note 7	(780 939)	(752 628)
Balance 30 June	26 674 620	23 534 912

4 EMPLOYEE BENEFITS (CONTINUE)

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	98	103
In-service (employee) non-members	82	95
Continuation members (e.g. Retirees, widows, orphans)	16	17
Total Members	196	215

The liability in respect of past service has been estimated to be as follows:

In-service members	14 735 442	12 382 625
In-service non- members	3 289 943	2 755 028
Continuation members	7 184 352	6 924 276
Total Liability	25 209 737	22 061 929

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
	22 061 929	18 704 246	17 111 000
Total Liability	22 061 929	18 704 246	17 111 000

	2014 Rm	2013 Rm	2012 Rm
Experience adjustments were calculated as follows:			
Liabilities: loss	0.81	1.530	(0.24)

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health
Keyhealth.
Hosmed
Samwu

	2014 %	2013 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	9.19%	8.47%
Health Care Cost Inflation Rate	8.32%	7.37%
Net Effective Discount Rate	0.80%	1.02%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	24 685 769	21 556 031
Total Liability	24 685 769	21 556 031

The entire fund is unfunded.

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	22 061 929	18 704 246
Total expenses	2 341 640	1 827 847
Current service cost	1 049 783	897 282
Interest Cost	1 846 625	1 454 843
Benefits Paid	(554 768)	(524 278)
Actuarial (gains)/losses	806 168	1 529 836
Present value of fund obligation at the end of the year	25 209 737	22 061 929
Less: Transfer of Current Portion - Note 7	(523 968)	(505 898)
Balance 30 June	24 685 769	21 556 031

Sensitivity Analysis on the Accrued Liability

Assumption		Continuation members liability (Rm)	% change
Central Assumptions			
The effect of movements in the assumptions are as follows:			
Assumption	Change	Continuation members liability (Rm)	% change
Health care inflation	1%	7.935	18%
Health care inflation	-1%	6.531	-14%
Post-retirement mortality	-1 year	7.479	4%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		1 049 800	1 846 600	2 896 400	
Health care inflation	1%	1 290 500	2 170 500	3 461 000	19%
Health care inflation	-1%	861 800	1 585 300	2 447 100	16%
Post-retirement mortality	-1 year	1 083 300	1 911 800	2 995 100	3%

2014 2013

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

231	238
-----	-----

Key actuarial assumptions used:

i) Rate of interest

Discount rate	7.99%	7.34%
General Salary Inflation (long-term)	7.15%	6.82%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.78%	0.49%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 245 822	2 225 611
Net liability	2 245 822	2 225 611

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Total Liability	1 636 016	1 639 367	888 137

Experience adjustments were calculated as follows:

	2014	2013	2012
Liabilities: (Gain) / loss	(235 133)	546 207	188 576

Reconciliation of present value of fund obligation:

	2014	2013
Present value of fund obligation at the beginning of the year	2 225 611	1 636 016
Total expenses	255 344	154 164
Current service cost	285 596	200 898
Interest Cost	154 393	101 978
Benefits Paid	(184 645)	(148 712)
Actuarial (gains)/losses	(235 133)	435 431
Present value of fund obligation at the end of the year	2 245 822	2 225 611
Less: Transfer of Current Portion - Note 7	(256 971)	(246 730)
Balance 30 June	1 988 851	1 978 881

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		2.246	
General salary inflation	1%	2.391	6%
General salary inflation	-1%	2.113	-6%
Average retirement age	-2 yrs	1.805	-20%
Average retirement age	2 yrs	2.622	17%
Withdrawal rates	-50%	2.664	19%

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and was not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosures have been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

	2014 R	2013 R
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105.1% (30 June 2012 - 108%).		
Contributions paid recognised in the Statement of Financial Performance	3 167 428	3 310 710

DEFINED CONTRIBUTION FUNDS

Council contribute to the SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund
SAMWU National Provident Fund

101 674	105 519
1 759 325	1 661 076
1 860 999	1 766 595

5 **NON-CURRENT PROVISIONS**

Provision for Rehabilitation of Landfill-sites

2014 R	2013 R
3 588 822	17 633 373
3 588 822	17 633 373

Landfill Sites

Balance 1 July

22 482 866 22 121 491

Unwinding of discounted interest

(16 024 433) 361 375

Total provision 30 June

6 458 433 22 482 866

Less: Transfer of Current Portion to Current Provisions - Refer to note 8

(2 869 611) (4 849 493)

Balance 30 June

3 588 822 17 633 373

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	<u>Malgas</u>	<u>Swellendam</u>	<u>Infanta</u>	<u>Suurbraak</u>	<u>Barrydale</u>
Rehabilitation area (m²)	28500m²	61700m²	330m²	5400m²	5600m²
Available capacity	0%	66.87%	0%	0%	0%
Engineering Design	R 100 403	R 428 452	R 78 093	R 89 903	R 84 008
Assessment Process -Permit for closure	R 262 417	R 262 417	R 262 417	R 262 417	R 262 417
Closure Plan	R 142 142	R 142 142	R 142 142	R 142 142	R 142 142
Earthworks		R 288 288	R 3 604	R 16 380	R 10 003
Capping material	R 138 748	R 1 153 680	R 14 421	R 65 550	R 40 029
Stormwater Drainage		R 52 435			
Berm for waste containment		R 419 501			
Preliminary and General	R 108 661	R 463 692	R 84 517	R 97 298	R 90 918
Contingencies	R 65 197	R 278 215	R 50 710	R 58 379	R 54 551

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

<u>Location</u>	<u>Estimated decommission date</u>	<u>Cost of rehabilitation 2014</u>	<u>Cost of rehabilitation 2013</u>
Malgas	2013	817 568	2 651 683
Swellendam	2033	3 488 822	17 633 372
Infanta	2013	635 905	567 492
Suurbraak	2013	732 069	799 108
Barrydale	2013	684 069	831 210
		6 358 433	22 482 865

The large changes in the estimated cost to rehabilitate the landfill sites is due to latest more reliable information

6

CONSUMER DEPOSITS

Water & Electricity	1 269 296	1 152 103
Total Consumer Deposits	1 269 296	1 152 103
Guarantees held in lieu of Electricity and Water Deposits	-	-

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

7

CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 4	523 968	505 898
Current Portion of Long-Service Provisions - Note 4	256 971	246 730
Provision for Staff Leave	3 160 631	2 855 308
Staff Bonuses accrued	1 024 965	962 824
Provision for Pension fund shortages	362 232	328 772
Provision for Performance Bonuses	521 700	0
Total Current Employee Benefits	5 850 466	4 899 532

The movement in current employee benefits are reconciled as follows:

Provision for Staff Leave

Balance at beginning of year	2 855 308	2 200 418
Contribution to current portion	490 357	940 911
Expenditure incurred	(185 034)	(286 021)
Balance at end of year	3 160 631	2 855 308

Staff leave accrued to employees according to a collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Staff Bonuses accrued

Balance at beginning of year	962 824	868 369
Contribution to current portion	2 320 597	2 230 577
Expenditure incurred	(2 258 456)	(2 136 122)
Balance at end of year	1 024 965	962 824

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Pension fund shortages

Balance at beginning of year	328 772	215 906
Contribution to current portion	33 460	112 866
Expenditure incurred	-	-
Balance at end of year	362 232	328 772

It was reported that the established investment return of the fund for the past financial year was -0.94%. Local authorities, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets.

Performance Bonuses

Balance at beginning of year	-	-
Contribution to current portion	521 700	-
Expenditure incurred	-	-
Balance at end of year	521 700	-

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

8 PROVISIONS

Current Portion of Rehabilitation of Landfill-sites - Note 4	2 869 611	4 849 493
Total Provisions	2 869 611	4 849 493

9 PAYABLES FROM EXCHANGE TRANSACTIONS

	2014 R	2013 R
Trade Payables	6 894 220	10 206 982
Accrued interest	684 196	698 658
Pre-Paid Electricity	271 177	290 660
Retentions and Guarantees	3 690 808	3 693 116
Other: Deposits	110 923	579 024
Debtors paid in advance	1 733 171	2 751 180
Other payables	282 071	271 095
Total Trade Payables	13 666 567	18 490 715

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing Deposits.

The arrear portion of long term liabilities originated as a result of the municipality not settling in full the current portion of the annuity loan as disclosed in note 3.1.

10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Grants

National Government Grants
Provincial Government Grants
Other Grant Providers

4 974 889 4 070 775

-	-
4 883 919	3 970 423
90 971	100 352

Less: Unpaid Grants

National Government Grants
Provincial Government Grants
Other Grant Providers

0 -

0	
-	
-	

Total Conditional Grants and Receipts

4 974 889 4 070 775

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

11 UNSPENT PUBLIC CONTRIBUTIONS

Description of unspent contribution
Description of unspent contribution

- -
- -

Total Unspent Public Contributions

- -

Reconciliation of public contributions

Description of unspent contribution

Opening balance
Contributions received
Conditions met - Transferred to revenue
Closing balance

- -
- -
- -
- -

Brief description of contribution and conditions attached

Description of unspent contribution

Opening balance
Contributions received
Conditions met - Transferred to revenue
Closing balance

- -
- -
- -
- -

Brief description of contribution and conditions attached

12 TAXES

12.1 VAT PAYABLE

VAT Payable
VAT output in suspense
Total Vat payable

- -
- -
- -

12.2 VAT RECEIVABLE

VAT input in suspense
Total VAT receivable

5 359 802 2 241 053
5 359 802 2 241 053

12.3 NET VAT RECEIVABLE/(PAYABLE)

5 359 802 2 241 053

VAT is receivable/payable on the cash basis.

13 PROPERTY, PLANT AND EQUIPMENT

See attached sheet

13	Assets pledged as security:		2014	2013
	All the assets obtained by financial leases are pledged as security. Carrying value of these assets :		461 033	502 450
	Third party payments received for losses incurred:			
	Payments received (Excluding VAT)		40 287	-
	Carrying value of assets written off/lost		57 709	12 845
	Deficit/Surplus		(17 422)	12 845
	Impairment of property plant and equipment for the year			
	Impairment charges on Property, plant and equipment recognised in statement of financial performance			
	Infrastructure		-	3 507
	Land and Buildings		8 185 800	-
	Community Assets		800 052	
			8 985 852	3 507
	Effect of changes in accounting estimates-changes in usefull lives			
		Depreciation before changes	Depreciation after changes	
	Intangible Assets	-12 642	10 785	
	Infrastructure	4 506 032	6 235 055	
	Other Assets	1 778 785	1 677 158	

14

INVESTMENT PROPERTY**Net Carrying amount at 1 July**

Cost
Under Construction
Accumulated Depreciation
Accumulated Impairment

Acquisitions
Disposals
Depreciation for the year
Impairment
Transfers from Heritage Assets

Net Carrying amount at 30 June

Cost
Accumulated Depreciation
Accumulated Impairment

2014
R

2013
R

25 198 913 **25 244 832**

25 422 019	25 422 019
(223 106)	(177 187)
-	-

-	-
-	-
(79 067)	(45 919)
(6 797 711)	-
1 455 144	-

19 777 280 **25 198 913**

26 877 164	25 422 019
(302 173)	(223 106)
(6 797 711)	-

Impairment charges on Investment Properties recognised in statement of financial performance

6 797 711 -

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Revenue derived from the rental of investment property

1 196 938 777 167

Operating expenditure incurred on properties generating revenue

473 602 437 606

2014
R

2013
R

15

INTANGIBLE ASSETS**Computer Software****Net Carrying amount at 1 July**

Cost.
Accumulated Amortisation
Accumulated Impairment

Additions
Amortisation
Impairments
Disposals

Net Carrying amount at 30 June

Cost
Accumulated Amortisation
Accumulated Impairment

71 169 **100 183**

373 239	362 476
(302 070)	(262 293)

27 352	10 763
(19 726)	(39 777)
-	-
-	-

78 795 **71 170**

400 591	373 239
(321 796)	(302 070)
-	-

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation</u> <u>Period</u>	<u>Carrying Value</u>	
		2014 R	2013 R
Microsoft Office and Windows software	5-'10 years	78 795	71 170

No intangible asset assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

	2014 R	2013 R
16 HERITAGE ASSETS		
Net Carrying amount at 1 July	3 453 349	3 392 205
Acquisitions		61144.00
Disposals	-	-
Impairments	(178 000)	-
Reversal of Impairment losses	-	-
Transfers to Investment Properties	(1 455 144)	-
Net Carrying amount at 30 June	1 820 205	3 453 349
Cost	1 998 205	1 588
Accumulated Impairment	(178 000)	-

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

17 CAPITALISED RESTORATION COST		
Net Carrying amount at 1 July	464 543	693 009
Depreciation	(24 450)	(183 477)
Impairment	(7 333)	(44 989)
Net Carrying amount at 30 June	432 758	464 543
Cost..	7 096 327	7 096 327
Accumulated Depreciation..	(6 479 226)	(6 454 776)
Accumulated Impairments..	(184 343)	(177 010)

Refuse tip-sites financed by way of a provision recognised previously not recognised - Refer to note 5

432 758	464 543
----------------	----------------

18 LONG-TERM RECEIVABLES	2014	2013
Housing Loan Scheme	286 222	347 565
	286 222	347 565
	68 874	61 283
Less: Current portion transferred to current receivables	68 874	61 283
Housing Loan Scheme		
	217 348	286 282
Less: Provision for Impairment	-	-
Total Long Term Receivables	217 348	286 282

The carrying amount of these assets approximates their fair value.

HOUSING LOAN SCHEME

The outstanding amount relates to prior years and is still collectable. Housing loans attract interest at average 7% per annum and which are repayable over a maximum period of 20 years. These loans are redeemed June 2013. The housing loans are secured over the asset.

19 INVENTORY		
Consumable Stores - Stationery and materials - At cost	1 180 848	1 172 973
Water – at cost	21 993	26 111
Unsold Plots - At cost	12 825 000	15 444 000
Total Inventory	14 027 841	16 643 084

Consumable stores materials written down due to losses as identified during the annual stores counts.	-	177
Consumable stores materials surpluses identified during the annual stores counts.	-	-
Inventory recognised as an expense during the year	989 322	806 222
No inventory assets were pledged as security for liabilities.		

20 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	8 334 192	9 199 758
Water	4 993 904	4 996 834
Refuse	3 203 657	3 135 942
Sewerage	5 231 051	5 228 304
Rentals	304 378	256 305
Sundry Receivables	1 681 823	1 543 230
Total Receivables from Exchange Transactions	23 749 004	24 360 374
Less: Allowance for Doubtful Debts	(16 078 604)	(16 160 832)
Total Net Receivables from Exchange Transactions	7 670 400	8 199 542

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Current (0 - 30 days)	3 972 889	4 641 185
31 - 60 Days	720 873	460 146
61 - 90 Days	452 275	227 291
+ 90 Days	3 188 155	3 871 137
Total	8 334 192	9 199 758

(Water): Ageing

Current (0 - 30 days)	1 018 046	1 260 235
31 - 60 Days	344 727	280 468
61 - 90 Days	300 770	176 038
+ 90 Days	3 330 360	3 280 093
Total	4 993 904	4 996 834

(Refuse): Ageing

Current (0 - 30 days)	519 768	816 894
31 - 60 Days	231 751	117 090
61 - 90 Days	188 308	108 767
+ 90 Days	2 263 829	2 093 191
Total	3 203 657	3 135 942

(Sewerage): Ageing

Current (0 - 30 days)	850 015	1 378 298
31 - 60 Days	374 169	199 803
61 - 90 Days	307 395	151 932
+ 90 Days	3 699 472	3 498 272
Total	5 231 051	5 228 304

(Rentals): Ageing

Current (0 - 30 days)	23 906	34 306
31 - 60 Days	76 160	13 294
61 - 90 Days	60 593	9 392
+ 90 Days	143 718	199 314
Total	304 378	256 305

(Sundry): Ageing

Current (0 - 30 days)	183 067	213 411
31 - 60 Days	66 469	27 933
61 - 90 Days	36 409	28 873
+ 90 Days	1 395 878	1 273 013
Total	1 681 823	1 543 230

(Total): Ageing

Current (0 - 30 days)	6 567 692	8 344 329
31 - 60 Days	1 814 149	1 098 733
61 - 90 Days	1 345 750	702 293
+ 90 Days	14 021 413	14 215 019
Total	23 749 004	24 360 374

Reconciliation of Provision for Bad Debts

Balance at beginning of year	16 160 832	26 161 710
Contribution to provision/(Reversal of provision)	145 849	2 711 872
Bad Debts Written Off	(228 077)	(12 712 750)
Balance at end of year	16 078 604	16 160 832

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2014 R	2013 R
Rates	14 275 616	14 214 888
Other Receivables	11 718 683	177 214
Suspense Debtors	11 718 683	177 214
Total Receivables from Non-Exchange Transactions	25 994 299	14 392 102
Less: Allowance for Doubtful Debts	(21 366 436)	(14 074 767)
Total Net Receivables from Non-Exchange Transactions	4 627 863	317 335

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

Refer to note 18 for balances deferred beyond 12 months from year end.

Ageing of Receivables from Non-Exchange Transactions:**(Rates): Ageing**

Current (0 - 30 days)	2 196 099	2 663 566
31 - 60 Days	595 893	412 399
61 - 90 Days	574 509	287 759
+ 90 Days	10 909 115	10 851 165
Total	14 275 616	14 214 888

Reconciliation of Provision for Bad Debts

Balance at beginning of year	14 074 767	13 227 249
Contribution to provision/(Reversal of provision)	(1 719 602)	1 785 261
Contribution to provision	9 011 271	
Bad Debts Written Off		(937 743)
Balance at end of year	21 366 436	14 074 767

The entire provision for bad debts relates to the outstanding rates balance.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

OPERATING LEASE ARRANGEMENTS**The Municipality as Lessor (Asset)**

Balance on 1 July	2 221	1 830
Movement during the year	17 752	391
Balance on 30 June	19 973	2 221

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	40 052	24 561
1 to 5 Years	56 775	53 605
More than 5 Years	7 606	19 871
Total Operating Lease Arrangements	104 433	98 036

This lease income was determined from contracts that have a specific conditional income. The leases are in respect of land and buildings being leased out for periods ranging until June 2031

The municipality does not engage in any sub-lease arrangements.
The municipality did not pay any contingent rent during the year

CASH AND CASH EQUIVALENTS**Assets**

Call Investments Deposits	-	1 127 493
Bank Accounts	1 922 667	3 888 703
Cash Floats	3 950	3 450
Total Cash and Cash Equivalents - Assets	1 926 617	5 019 646

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Bank overdraft facility of R1 400 000 exists at FNB.

The municipality has the following bank accounts:

Current Accounts

Fist National Bank- Swellendam- Account number 53840005730-(Primary Account)

ABSA - Barrydale- Account Number 2390560039

Current Accounts

Cash book balance at beginning of year	3 888 703	5 668 207
Cash book balance at end of year	<u>1 922 667</u>	<u>3 888 703</u>
Bank statement balance at beginning of year	9 461 290	13 739 557
Bank statement balance at end of year	<u>14 800 984</u>	<u>9 461 290</u>

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Standard Bank	(account nr 288800699)	-	1 123 947
ABSA	(account nr 9292563548)	-	
FNB	(account nr 62405165839)	-	3 547
		<u>-</u>	<u>1 127 494</u>

PROPERTY TAXES**Actual****Rateable Land and Buildings**

Rateable Land and Buildings

Less: Rebates

Total Assessment Rates**2014
R****2013
R**

40 934 128 31 728 461

40 934 128	31 728 461
------------	------------

15 710 903 10 271 239

25 223 225	21 457 222
-------------------	-------------------

Valuations - 1 JULY 2014 (Plus Interim Valuations)**Rateable Land and Buildings**

Residential Properties -Sec 8(2)(a)

Industrial Properties - Sec 8(2)(b)

Business and Commwecial Properties-Sec 8(2)(c)

Farm Agricultural Purposes - Sec 8(2)(d)(i)

Farm Commercial Purposes-Sec 8(2)(d)(ii)

Farm Residential Purposes-Sec 8(2)(d)(iii)

Farm Other Purposes - Sec 8(2)(d)(iv)

Farm Not use for any Purposes -Sec 8(2)(e)

Small Holdings Agricultural-Sec 8(2)(f)(i)

Small Holdings Residential Purposes-Sec 8(2)(f)(ii)

Small Holdings Busssiness Purposes-Sec 8(2)(f)(iii)

State Owned - Sec 8(2)(g)

Municipal Owned-Sec 8(2)(h)

Public Service Infrastructure -Sec 8(2)(i)

National Monuments- Sec 8(2)(p)

Public Benefit Organisations - Sec 8(2)(q)

2 598 385 950

62 970 000

394 443 000

2 487 563 323

68 276 000

41 605 000

470 000

18 485 000

212 000

25 680 000

1 520 000

201 735 000

163 302 500

1 760 200

13 470 000

85 527 500

Total Assessment Rates**6 165 405 473****-**

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013.

Rates:

Residential

Commercial

Agricultural

0.71217c/R

0.71217c/R

0.17804c?R

0.64801c/R

0.64801c/R

0.16200c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

GOVERNMENT GRANTS AND SUBSIDIES**Unconditional Grants**

Equitable Share

19 857 000**18 428 000**

19 857 000	18 428 000
------------	------------

Conditional Grants

Grants and donations

46 671 795**51 093 068**

46 671 795	51 093 068
------------	------------

Total Government Grants and Subsidies**66 528 795****69 521 068**

Government Grants and Subsidies - Capital

Government Grants and Subsidies - Operating

18 788 889

47 739 906

43 293 349

26 227 719

66 528 795**69 521 068**

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share

Corporate Services

Community Services

Engineers Service

Finance Service

19 857 000

1 428 754

21 330 183

19 939 887

3 972 971

18 428 000

11 113 366

36 997 693

2 982 008

66 528 795**69 521 068**

The municipality does not expect any significant changes to the level of grants.

25.1 Equitable share

Opening balance	-	-
Grants received	19 857 000	18 428 000
Conditions met - Operating	(19 857 000)	(18 428 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

25.2 Expanded Public Works Program (EPWP)

Opening balance	-	262 000
Grants received	1 000 000	1 000 000
Conditions met - Operating	(1 000 000)	(1 262 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

Health subsidies was used fund primary health care services in the municipal area.

25.3 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Grants received	1 400 000	1 250 000
Conditions met - Operating	(1 400 000)	(1 250 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

25.4 Municipal Systems Improvement Grant

Opening balance	-	-
Grants received	890 000	800 000
Conditions met - Operating	(890 000)	(800 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

25.5 Municipal Infrastructure Grant (MIG)

Opening balance	-	-
Grants received	11 042 000	11 125 000
Paid back to National Treasury	-	-
Conditions met - Operating	(552 100)	(556 250)
Conditions met - Capital	(10 489 900)	(10 568 750)
Grant expenditure to be recovered	-	-

The grant was used to upgrade infrastructure in previously disadvantaged areas.

25.6 Housing Grants

Opening balance	1 292 982	3 328 776
Grants received	19 918 651	7 328 722
Conditions met - Operating	(17 288 959)	-
Conditions met - Capital	-	(9 364 517)
Grant expenditure to be recovered	3 922 675	1 292 982

Housing grants was utilised for the development of erven and the erection of top structures.

25.7 Integrated National Electrification Grant

Opening balance	-	1 858 481
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(1 858 481)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

25.8 Other Grants

Opening balance	2 777 795	1 413 502
Grants received	13 325 256	26 362 000
Interest received on Investments		
Grants paid back to National Treasury		
Transfers		435 362
Conditions met - Operating	(6 751 846)	(3 833 069)
Conditions met - Capital	(8 298 989)	(21 600 000)
	<hr/>	<hr/>
Conditions still to be met	1 052 216	2 777 795
	<hr/>	<hr/>

25.9 Total Grants

Opening balance	4 070 776	6 862 759
Grants received	67 432 907	66 293 722
Interest received on Investments	-	-
Grants paid back to National Treasury	-	-
Transfers		435 362
Conditions met - Operating	(47 739 906)	(26 129 318)
Conditions met - Capital	(18 788 889)	(43 391 748)
	<hr/>	<hr/>
Conditions still to be met/(Grant expenditure to be recovered)	4 974 889	4 070 776
	<hr/>	<hr/>

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	4 974 889	4 070 775
	<hr/>	<hr/>
	4 974 889	4 070 775
	<hr/>	<hr/>

26 SERVICE CHARGES

Electricity	54 250 136	48 549 093
Water	10 294 938	9 587 641
Refuse removal	6 739 746	6 133 468
Sewerage and Sanitation Charges	12 237 354	11 283 272
Other	19 030	14 100
	<hr/>	<hr/>
Less: Rebates	83 541 205	75 567 574
	(6 281 783)	(5 885 830)
	<hr/>	<hr/>
Total Service Charges	77 259 422	69 681 745
	<hr/>	<hr/>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

27 OTHER INCOME

	-	-
Building Plans	524 324	477 816
Development Contribution	43 000	96 085
Hawkers Fees	11 569	16 849
Rezoning	185 337	153 690
Landfill sites Re- estimate	16 024 433	-
Other	4 382 349	2 015 020
	<hr/>	<hr/>
Total Other Income	21 171 010	2 759 460
	<hr/>	<hr/>

Sundry income represents sundry income such as building plans, sale of sundry items and fees for items not included under service charges (camping, fire brigade and impounding fees)

EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	33 854 833	31 629 265
Employee related costs - Contributions for UIF, pensions and medical aids	8 326 878	7 804 888
Travel, motor car, accommodation, subsistence and other allowances	3 862 783	3 639 262
Housing benefits and allowances	212 658	233 065
Overtime Payments	2 502 054	2 394 574
Long Service Awards	285 596	200 898
Post Retirement Medical	1 049 783	897 282
Performance bonuses	521 700	-
Bonus	2 320 597	2 230 576
Other	666 902	16 555
Staff Leave	490 357	940 911
Total Employee Related Costs	54 094 140	49 987 276

KEY MANAGEMENT PERSONNEL

Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL**Remuneration of the Municipal Manager - Mr C Africa**

Annual Remuneration	1134902	605 102
Car Allowance	60000	110 336
Contributions to UIF, Medical, Pension Funds and Bargaining Council	13702	119 937
Total	1 208 604	835 375

Remuneration of the Director Engineering Services - Mr EJ Wentzel

Annual Remuneration	636 249	150 661
Travelling Allowance	102 272	36 488
Contributions to UIF, Medical, Pension Funds and Bargaining Council	149 962	9 470
Cellphone allowance	5 468	-
Total	893 951	196 619

Remuneration of the Director Community Services- (Vacant)

Annual Remuneration	-	541 935
Travelling Allowance	-	82 810
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	107 603
Total	-	732 348

Remuneration of the Director Financial Services - Mr H Scleubush

Annual Remuneration	531 341	528 486
Car Allowance	32 000	152 370
Contributions to UIF, Medical, Pension Funds and Bargaining Council	120 004	110 946
Cellphone allowance	5 469	-
Total	688 814	791 802

Remuneration of the Director Corporate Services - Mr D du Plessis

Annual Remuneration	760 241	412 388
Car Allowance	78 000	45 500
Contributions to UIF, Medical, Pension Funds and Bargaining Council	123 218	71 659
Cellphone allowance	5 039	-
Total	966 498	529 547

29	REMUNERATION OF COUNCILLORS		
	Executive Mayor allowance	659 151	563 617
	Deputy Executive Mayor allowance	532 214	446 753
	Speaker allowance	532 214	454 483
	Mayoral Committee Members allowances	500 480	427 200
	Councillors allowances	1 074 365	874 470
	Total Councillors' Remuneration	3 298 424	2 766 523
	<i>In-kind Benefits</i>		
	The Executive Mayor and all the committee members are part-time. The Mayor is provided with secretarial support and an office at the cost of the Council.		
30	DEBT IMPAIRMENT		
	Trade Receivables from exchange transactions - Note	145 849	
	Trade Receivables from non-exchange transactions - Note	(1 719 602)	
	Correction of over provision recognised as revenue	(1 573 753)	
	Trade Receivables from exchange transactions - Note 20		2 378 835
	Trade Receivables from non-exchange transactions - Note 21		1 785 261
	Traffic Fines	9 011 271	-
	Total Contribution to Debt Impairment	9 011 271	4 164 096
31	DEPRECIATION AND AMORTISATION		
	Property Plant and Equipment	8 379 090	6 731 361
	Investment Property	79 067	45 919
	Intangible Assets	19 726	39 777
	Landfill Sites	24 450	183 477
		8 502 335	7 000 534
32	IMPAIRMENTS and WRITE OFFS		
	Landfill Sites	7 333	44 989
	Property Plant & Equipment	8 985 852	3 507
	Investment Properties	6 797 711	
	Heritage Assets	178 000	
		15 968 896	48 496
33	FINANCE CHARGES		
	Long-term Liabilities	3 909 268	4 073 365
	Finance leases	51 993	10 425
	Hire Purchases	9 942	25 663
	Post Employment Health	1 846 625	1 454 843
	Landfill Sites	-	361 375
	Pensionfund shortfall	33 460	112 866
	Long service awards	154 393	101 978
	Total finance charges	6 005 681	6 140 514
34	BULK PURCHASES		
	Electricity	36 750 814	33 991 785
	Total Bulk Purchases	36 750 814	33 991 785
35	GRANTS AND SUBSIDIES		
	Swellendam Tourism	1 082 000	999 390
	Lower Breede River Conservancy	412 500	247 500
	Total Grants and Subsidies	1 494 500	1 246 890

36 OPERATING GRANT EXPENDITURE

Corporate Services	100 000	-
Community Services	17 534 023	346 568
Engineers Service	1 070 307	1 989 767
Municipal Manager	-	-
Finance Service	3 129 483	2 055 923
Total Operating grant expenditure	21 833 813	4 392 258

37 GENERAL EXPENSES

	2014 R	2013 R
Accounting Support	1 587 422	1 696 444
Audit Fees	3 747 616	3 011 127
Agency Fees	1 454 596	1 404 333
Bank Charges	560 202	485 868
Contractor Fees	884 743	251 680
Insurance	568 619	536 874
Legal Fees	110 138	1 037 300
Machinery Hire	585 417	712 608
Material & Stock	1 168 899	1 452 770
New Connections	136 315	212 660
Postage	508 803	562 204
Refuse bags	225 549	193 274
Rentals	71 480	211 811
Security	792 360	837 442
Stationery and Printing	518 860	580 759
Stormwater drainage	460 780	324 993
Subscription Fees	888 691	225 945
Subsistence and Travel	412 577	457 109
Telephone	1 335 398	1 296 660
Training	697 446	753 070
Workmens Compensation	364 345	352 155
Other	7 453 251	1 982 179
General Expenses	24 533 508	18 579 265

38 CORRECTION OF ERROR IN TERMS OF GRAP 3

	2013 R	2012 R
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Prior year adjustments due to non-compliance with accounting policy and errors

- 38.1 (i)** During the previous financial year a correction of error was made to rectify outstanding municipal accounts which have amounted to R1866159.40. It was afterwards found that numerous accounts were not municipal accounts, and therefore the previous correction of error has to be reversed with the following entries :
(Dt) Debtor control accounts of Receivables from exchange transactions R 627995 and Receivables from non-exchange transactions R1238164 (Ct) Acc Surplus Prior years R961507 and Acc Surplus Current year R904652.39.
- (ii)** After a comprehensive investigation of the departmental accounts with balances, it was found that rates accounts originating as far back as 2009 were unpaid. The majority of those accounts are not rateable in terms of the latest valuation roll which was effective from 1 July 2013. This is now corrected and replace the transaction explained in paragraph 38.(1)(i) , above. The error is corrected with the following entries: (Dt) Acc Surplus - prior years and (Ct) Receivables from non-exchange transaction with R390224.45
- (iii)** Included under Receivables from non-exchange transactions is an amount of R435147.52 , which represents a debtor account which was created during the 2006/2007 financial year for a project performed by the municipality on behalf of a client. The account was erroneously levied because evidence of the payment was now made available with the result that the debtor account has to be retrospectively reversed with the following entries:
(Dt) Acc Surplus -prior years and (Ct) Reivables from non-exchange transactions.
- (iv)** With the first time recognition of the liability for post employment benefits, the valuation was based only on the pensioned ex employees. This was an error because all the existing employees which were employed on or before 29 January 2009 were all entitled to the post employment benefit scheme. Employees employed after 29 January 2009 were all excluded due to a Council resolution in this regard. This error is now rectified with the following entries: (Dt) Acc Surplus prior years (2009-2012) R11409015 (Dt) Acc Surplus 2012/13 R3372539 (Cost R897282, Interest R959166 and Actuarial losses R1516091), and (Ct) Employee Benefits (2009-2012) R11409015 (Ct) Employee Benefits 2012/13 R 3372539
- (v)** During 2013/14 numerous internal accounts were corrected which have resulted that the accounts have ended with credit balances. The credit amounts developed for amounts erroneously levied in 2013/14 (R66812.45) , 2012/13 (R55100.68), and prior years (R259379.57). The credit amounts for the previous years are now corrected with the following entries : (Ct) Acc Surplus - Prior years -R259379.57 (Ct) Acc Surplus Current year -R55100.68, and (Dt) Receivables from Exchange transactions (acc ZZZZ).
The total for 2012/13 was for Services R6620.93, Rates R48454.86 and Penalties R24.89

- (vi) During the financial year numerous corrections were done on property rates revenue due to errors, rebates etc. which impact retrospectively. The errors are corrected with the following entries : (Dt) Acc Surplus- Prior years R1511853.23 (Dt) Acc Surplus -Current year R214084.99 and (Ct) Receivables from non exchange transactions R1725938.19
- (vii) First time recognition of intangible assets after a reconciliation was done between the computers per asset count. This is now capitalized retrospectively to 01 July 2008 as a correction of error with the following entry: (Dt) Intangible assets R28 104.34 (Ct) Acc Surplus - prior years R28 104.34
- (viii) Due to the first time recognition of intangible assets as set out in note (vii) above, the accumulated amortisation is rectified retrospectively with the following entries: (Ct) Accumulated amortisation R12 171.78 and (Dt) Accumulated Surplus - Prior years R9363.27 and (Dt) Accumulated Surplus - current year R2 808.51.
- (ix) First time recognition of inventory after the general valuation role was reconciled with the property list and deedsoffice information. This is now capitalized retrospectively to 01 July 2008 as a correction of entries with the following entry: (Dt) Inventory R80 000 (Cr) Acc Surplus - Prior years R80 000
- (x) First time recognition of Investment Property after the general valuation role was reconciled with the property list and deedsoffice information. This is now capitalized retrospectively to 01 July 2008 as a correction of entries with the following entry: (Dt) Investment property R273 683.75 (Cr) Acc Surplus - Prior years R273 683.75
- (xi) Due to the first time recognition of Investment Property as set out in note (x) above, the accumulated depreciation is rectified retrospectively with the following entries: (Ct) Accumulated amortisation R5 520.44 and (Dt) Accumulated Surplus - Prior years R4 416.35 and (Dt) Accumulated Surplus - current year R1 104.09.
- (xii) An error was found with Investment Property where two erven were erroneously included with the first-time recognition of Investment Property. This error is now retrospectively corrected with the following entries : (Dt) Acc Surplus - prior years R255 500, and (Ct) Investment Property R255 500.
- (xiii) Due to the error on Investment Property as set out note (xii) above, the accumulated depreciation is rectified retrospectively with the following entries: (Dt) Accumulated amortisation R1 070.72 and (Ct) Accumulated Surplus - Prior years R856.57 and (Ct) Accumulated Surplus - current year R214.14.
- (xiv) An error was found with Investment Property where five erven were erroneously not split between land and buildings which have an effect on the accumulated depreciation charge. This error is corrected retrospectively with the following entries: (Dt) Acc Surplus - prior years R103 448.83 (Dt) Acc Surplus -current year R25862.21, and (Ct) Accumulated depreciation R129 311.04
- (xv) First time recognition of assets after the reconciliation between the general valuation roll, asset register and the deedsoffice information. This is now capitalized retrospectively to 01 July 2008 as a correction of error with the following entries : (Dt) PPE - Land and Buildings R630 746.14 (Ct) Acc Surplus - Prior years R630 746.14
- (xvi) An error was found with PPE - Land and Buildings where five erven were erroneously not split between land and buildings which have an effect on the accumulated depreciation charge. This error is corrected retrospectively with the following entries: (Dt) Acc Surplus - prior years R42 706 (Dt) Acc Surplus -current year R10 686.10 and (Ct) Accumulated depreciation R53 392.10.
- (xvii) An error was found with PPE - Community Assets where three erven were erroneously not split between land and buildings which have an effect on the accumulated depreciation charge. This error is corrected retrospectively with the following entries: (Dt) Acc Surplus - prior years R1 655 (Dt) Acc Surplus -current year R413. 62, and (Ct) Accumulated depreciation R2068.62.

(xviii) First time recognition of assets after the asset count and a reconciliation between the asset register. This is now capitalized retrospectively to 01 July 2008 as a correction of error with the following entries : (Dt) PPE - other assets R343 722 (Cr) Acc Surplus - Prior years R343 722

(xix) Due to the correction on PPE - other assets as set out note (xviii) above, the accumulated depreciation is rectified retrospectively with the following entries: (Ct) Accumulated amortisation R146 221 and (Dt) Accumulated Surplus - Prior years R117 046 and (Dt) Accumulated Surplus - current year R29 175.

The above note 38.1 representing the narratives of the following Corrections of Errors as set out from notes 38.2 to 38.13

		2013 R	2012 R
38.2	Accumulated Surplus	188 213 572	156 739 669
	Balance previously reported		
	Correction of error- see note 38.1.(i)	1 866 159	961 507
	Correction of error- see note 38.1.(ii)	(390 224)	(390 224)
	Correction of error- see note 38.1.(iii)	(435 148)	(435 148)
	Correction of error -see note 38.1.(iv)	(14 781 554)	(11 409 015)
	Correction of error -see note 38.1.(v)	314 480	259 380
	Correction of error -see note 38.1.(vi)	(1 725 938)	(1 511 853)
	Correction of error -see note 38.1.(vii)	28 104	28 104
	Correction of error -see note 38.1.(viii)	(12 172)	(9 363)
	Correction of error -see note 38.1.(ix)	80 000	80 000
	Correction of error -see note 38.1.(x)	273 684	273 684
	Correction of error -see note 38.1.(xi)	(5 520)	(4 416)
	Correction of error -see note 38.1.(xii)	(255 500)	(255 500)
	Correction of error -see note 38.1.(xiii)	1 071	857
	Correction of error -see note 38.1.(xiv)	(129 311)	(103 449)
	Correction of error -see note 38.1.(xv)	630 745	630 745
	Correction of error -see note 38.1.(xvi)	(53 392)	(42 707)
	Correction of error -see note 38.1.(xvii)	(2 069)	(1 655)
	Correction of error -see note 38.1.(xviii)	343 722	343 722
	Correction of error -see note 38.1.(xix)	(146 221)	(117 046)
	Restated balance	173 814 488	145 037 291
38.3	Employee Benefits		
	Balance previously reported	7 280 375	7 295 231
	Correction of error-see note 38.1.(iv)	14 781 554	11 409 015
	Restated balance	22 061 929	18 704 246
38.4	Receivables from non-exchange transactions		
	Balance previously reported	1 630 481	2 967 427
	Correction of error - see note 38.1.(i)	1 238 164	637 943
	Correction of error - see note 38.1.(ii)	(390 224)	(390 224)
	Correction of error - see note 38.1.(iii)	(435 148)	(435 148)
	Correction of error - see note 38.1.(vi)	(1 725 938)	(1 511 853)
	Restated balance	317 335	1 268 145
38.5	Receivables from exchange transactions		
	Balance previously reported	7 571 547	9 965 913
	Correction of error - see note 38.1.(i)	627 995	323 564
	Correction of error - see note 38.1.(v)	314 480	259 380
	Restated balance	8 514 023	10 548 857
38.6	Inventory		
	Balance previously reported	16 563 084	16 467 933
	Correction of error -see note 38.1.(ix)	80 000	80 000
	Restated balance	16 643 084	16 547 933

38.7 Intangible Assets

Balance previously reported

Correction of error -see note 38.1.(vii)
Correction of error -see note 38.1.(viii)

Restated balance

R	R
55 237	81 441
28 104	28 104
(12 172)	(9 363)

71 170	100 182
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38.8 Property Plant and Equipment

Balance previously reported

Correction of error -see note 38.1.(xv)
Correction of error -see note 38.1.(xvi)
Correction of error -see note 38.1.(xvii)
Correction of error -see note 38.1.(xviii)
Correction of error -see note 38.1.(xix)

Restated balance

R	R
225 818 502	187 354 524
630 745	630 745
(53 392)	(42 707)
(2 069)	(1 655)
343 722	343 722
(146 221)	(117 046)

226 591 287	188 167 583
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38.9 Investment Properties

Balance previously reported

Correction of error -see note 38.1.(x)
Correction of error -see note 38.1.(xi)
Correction of error -see note 38.1.(xii)
Correction of error -see note 38.1.(xiii)
Correction of error -see note 38.1.(xiv)

Restated balance

R	R
25 314 491	25 333 658
273 684	273 684
(5 520)	(4 416)
(255 500)	(255 500)
1 071	857
(129 311)	(103 449)

25 198 914	25 244 833
-------------------	-------------------

STATEMENT OF FINANCIAL PERFORMANCE

Balance previously reported

Correction of error - see note 38.1.(i)
Correction of error - see note 38.1.(v)
Correction of error - see note 38.1.(iv)
Correction of error - see note 38.1.(vi)
Correction of error -see note 38.1.(viii)
Correction of error -see note 38.1.(xi)
Correction of error -see note 38.1.(xiii)
Correction of error -see note 38.1.(xiv)
Correction of error -see note 38.1.(xvi)
Correction of error -see note 38.1.(xvii)
Correction of error -see note 38.1.(xix)

Effect on Services Charges
Effect on Property Taxes
Effect on Other Income
Effect on Finance charges
Effect on Interest Earned- outstanding debtors
Effect on Employee Related cost
Effect on Actuarial Losses
Effect on Depreciation and Amortisation

2013

R
31 326 217
904 652
(3 372 539)
55 100
(214 085)
(2 809)
(1 104)
214
(25 862)
(10 686)
(414)
(29 175)

(2 696 706)

309 114
434 591
1 938
(959 166)
25
(897 282)
(1 516 091)
(69 835)

Total

28 629 511

2014 R	2013 R
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39 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

Surplus/(Deficit) for the year

Adjustments for:

Depreciation
Amortisation of Intangible Assets
Gain on disposal of property, plant and equipment
Loss on disposal of property, plant and equipment
Debt Impairment
Bad debts written off
Stock adjustments
Contribution to current employee benefits

14 044 619	28 629 511
8 482 609	6 960 757
19 726	39 777
(20 000)	(0)
1 302 438	12 845
(1 573 753)	4 164 096
2 623 118	177
379 899	540 666

Contribution from/to employee benefits	3 139 708	2 303 557
Contribution to Landfill site	(16 024 433)	361 375
Actuarial Gains/losses	571 035	1 965 267
Impairment	15 968 896	48 496
Interest received (Grants Investments)		
Grants Received	67 432 907	66 729 084
Grant Expenditure	(66 528 795)	(69 521 068)
Operating lease income accrued	(17 752)	(391)
Operating Surplus/(Deficit) before changes in working capital	29 800 223	42 234 147
Changes in working capital	(9 949 903)	3 666 890
Increase/(Decrease) in Payables for Exchange Transactions	(4 824 149)	3 021 761
Increase/(Decrease) in Taxes	(3 118 749)	1 863 810
(Increase)/Decrease in Inventory	(7 874)	(95 328)
(Increase)/Decrease in Assets Held for Sale	208 500	
(Increase)/Decrease in Trade and other receivables	(2 207 632)	(1 123 352)
Cash generated/(absorbed) by operations	19 850 320	45 901 037

40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Call Investments Deposits - Note 23	-	1 127 493
Cash Floats - Note 23	3 950	3 450
Bank - Note 23	1 922 667	3 888 703
Total cash and cash equivalents	1 926 617	5 019 646

41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 40	1 926 617	5 019 646
Less:	1 926 617	5 019 646
	384 912	(1 829 722)
Unspent Committed Conditional Grants - Note 10	(4 974 889)	(4 070 775)
VAT - Note 12	5 359 802	2 241 053
Resources available for working capital requirements	2 311 529	3 189 924

42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 3	34 478 896	36 336 076
Used to finance property, plant and equipment - at cost	(34 478 896)	(36 336 076)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

43 BUDGET COMPARISONS

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
43.1 Operational				
Revenue by source				
Property taxes	25 223 225	27 492 482	(2 269 257)	-8%
Government Grants and Subsidies - Capital	18 788 889	-	18 788 889	100%
Government Grants and Subsidies - Operating	47 739 906	84 814 941	(37 075 035)	-44%
Fines	15 303 084	3 319 000	11 984 084	361%
Actuarial Gains	235 133	-	235 133	100%
Service Charges	77 259 422	90 356 699	(13 097 277)	-14%
Rental of Facilities and Equipment	1 214 690	988 000	226 690	23%
Interest Earned - external investments	661 663	400 000	261 663	65%
Interest Earned - outstanding debtors	635 918	1 260 000	(624 082)	-50%
Licences and Permits	1 341 966	714 000	627 966	88%
Agency Services	1 148 440	1 200 000	(51 560)	-4%
Other Income	21 171 010	1 042 600	20 128 410	1931%
Gain on disposal of Property, Plant and Equipment	20 000	-	20 000	100%
	210 743 346	211 587 722	(844 376)	0%
Expenditure by nature				
Employee Related Costs	54 094 140	57 717 170	3 623 030	-6%
Remuneration of Councillors	3 298 424	3 373 400	74 976	-2%
Debt Impairment	9 011 271	4 636 664	(4 374 607)	94%
Depreciation and Amortisation	8 502 335	6 001 500	(2 500 835)	42%
Impairments/Write-offs	15 968 896	-	(15 968 896)	-100%
Repairs and Maintenance	10 473 620	12 771 610	2 297 990	-18%
Stock Adjustments	2 623 118	-	(2 623 118)	-100%
Actuarial losses	806 168	-	(806 168)	-100%
Finance Charges	6 005 681	6 741 808	736 127	-11%
Bulk Purchases	36 750 814	39 450 000	2 699 186	-7%
Grants and Subsidies	1 494 500	1 412 000	(82 500)	6%
Operating Grant Expenditure	21 833 813	30 591 953	8 758 140	-29%
General Expenses	24 533 508	28 751 115	4 217 607	-15%
Loss on disposal of Property, Plant and Equipment	1 302 438	-	(1 302 438)	-100%
	196 698 727	191 447 220	(5 251 507)	3%
Net Surplus for the year	14 044 619	20 140 502	(6 095 883)	-30%

		2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
43.2	Expenditure by Vote				
	Corporate Services	39 900 859	24 135 989	15 764 870	65%
	Municipal Manager	7 528 446	6 795 010	733 436	11%
	Community Services	51 472 188	55 084 380	(3 612 192)	-7%
	Engineers Service	76 457 960	83 142 825	(6 684 865)	-8%
	Finance Service	21 339 274	22 288 516	(949 242)	-4%
		196 698 727	191 446 720	5 252 007	3%
		2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 (%)
43.3	Capital expenditure by vote				
	Corporate Services	135 013	152 820	(17 807)	-12%
	Municipal Manager	37 570	41 855	(4 285)	-10%
	Community Services	605 158	857 656	(252 498)	-29%
	Engineers Service	19 884 083	28 049 625	(8 165 542)	-29%
	Finance Service	450 333	528 166	(77 833)	-15%
		21 112 157	29 630 122	(8 517 965)	-29%
44	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED			2014 R	2013 R
44.1	<u>Unauthorised expenditure</u>				
	Reconciliation of unauthorised expenditure:				
	Opening balance			70 232 722	59 880 346
	Unauthorised expenditure current year - capital				8 990 733
	Unauthorised expenditure current year - operating			16 498 306	1 361 643
	Condoned by council			(59 880 346)	-
	Transfer to receivables for recovery			-	-
	Unauthorised expenditure awaiting authorisation			26 850 682	70 232 722

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	Prior year expenditure has been condoned

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

2014
R

2013
R

44.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	3 717 053	3 403 405
Fruitless and wasteful expenditure current year		313 648
Written off by council	-	
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting further action	3 717 053	3 717 053

Incident	Disciplinary steps/criminal proceedings		
<i>Interest on late payment of creditors</i>	<i>None</i>	-	52 850
<i>Interest on arrear portion of long term liabilities</i>	<i>None</i>	-	164 839
<i>Illegal special Council meetings 8 and 15 October 2012</i>	<i>None</i>	-	246 532
<i>Interest and penalties- Late payments on VAT</i>	<i>None</i>		39 104
<i>Interest to Mr Matthyssen for unlawful land transaction</i>	<i>None</i>		28 012
<i>Interest and penalties - Late payments on VAT</i>			
<i>Interest and penalties - Late payments on VAT</i>		-	464 222

44.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	18 802 625	16 541 082
Irregular expenditure current year	-	2 261 543
Investigated and approved by Council	(14 805 487)	-
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting further action	3 997 138	18 802 625

Irregular expenditure awaiting condonement from National Treasury

Incident	Disciplinary steps/criminal proceedings		
<i>Under charging of services to P le Roux questhouse</i>	<i>None</i>	-	35 000
<i>Escalated lease payments not in conditions of contract</i>	<i>None</i>	-	27 261
<i>Appointment of labour broker- SCM not followed</i>	<i>Investigated and approved by council on 31 October 2013</i>	-	8 850
<i>Appointment of Herold Gie Attorneys- SCM not followed</i>	<i>None</i>		78 157
<i>SCM procedures not followed- See Comafs 46,75 (2013)</i>	<i>None</i>		2 112 275
		-	2 261 543

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

44.4 **Material Losses**

Water distribution losses

- Kilo litres disinfected/purified/purchased	1 496 084	1 498 763
- Kilo litres lost during distribution	337 750	317 484
- Percentage lost during distribution	22.58%	21.18%

Electricity distribution losses

- Units purchased (Kwh)	51 470 705	50 662 127
- Units lost during distribution (Kwh)	6 611 828	2 025 010
- Percentage lost during distribution	12.85%	4.00%

2014
R

2013
R

45 **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

45.1 **Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**

Opening balance	334 336	-
Council subscriptions	554 355	400 000
Amount paid - current year	(554 355)	(65 664)
Amount paid - previous years	(334 336)	-
Balance unpaid (in dispute)	-	334 336

	2014 R	2013 R
45.2 Audit fees - [MFMA 125 (1)(b)]		
Opening balance	543 046	690 804
Current year audit fee	3 204 570	3 816 085
External Audit - Auditor-General Audit Committee	3 188 432 16 138	3 816 085 -
Amount paid - current year	(3 204 570)	(3 273 039)
Amount paid - previous year	(543 046)	(690 804)
Balance unpaid (included in creditors)	(0)	543 046
45.3 VAT - [MFMA 125 (1)(b)]		
VAT balance at year end - Refer to note 12	5 359 802	2 241 053
Closing balance - Receivable	5 359 802	2 241 053

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

45.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	7 237 864	6 401 000
Amount paid - current year	(7 237 864)	(6 401 000)
Balance unpaid (included in creditors)	(0)	-
45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	12 303 543	12 459 532
Amount paid - current year	(12 303 543)	(12 459 532)
Balance unpaid (included in creditors)	-	-

45.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]	
No Councillors had arrear accounts for more than 90 days as 30 June 2014	

45.7 Deviations from Supply Chain Management Regulations

Non-compliance summary

Department:

Corporate Services	202 952
Community Services	138 496
Engineers Service	1 005 126
Municipal Manager	29 991
Finance Service	289 935
	1 666 500

	<u>< R30000</u>	<u>>R30000</u> <u><R200000</u>	<u>>R200000</u>	
Per Quarter				
1	190 794	269 646		460 440
2	273 316	96 900		370 216
3	56 219	244 785	228 646	529 651
4	170 194	136 000		306 194
Total	690 523	747 331	228 646	1 666 500

45.8 Awards above R2000 to spouses, child, parent of a person in service of the state (Section 45 of the Supply Management Policy).

Company	Name	Relation
Heins Aoto Elektries;	J de Jager	Brother
A.J.Fabrics Mobile Dienste	I Baransky	Daughter

45.9 Other non-compliance (MFMA 125(2)(e))

Service Delivery and Budget Implementation Plan reports were not submitted quarterly to council on the implementation of the budget and the financial state of affairs of the municipality within 30 days after the end of each quarter as required by section 52(d) of the MFMA.

National Treasury were not informed, as required by section 64(3) of the MFMA, of payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

The internal audit unit partly did not function as required by section 165(2) of the MFMA, nor section 14 of the Municipal planning and performance regulations.

Creditotrs payments were not made within 30 days as required by the MFMA.

46

CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:

Total commitments consist out of the following:

Contract/Tender

		2014 R	2013 R
Upgrading and re-location Barrydale Sewerage Treatment Plant	222/2010	370 385	
Upgrading and re-location Swellendam Water Treatment Plant	302/2010	820 591	
Upgrading Waste Water Treatment Works	136/2011	6 456 035	
Upgrading Waste Water Treatment Works	173/2011	9 784 456	
Professional Services-Electrification of Sub Economic Houses	T101/2011	226 935	
Upgrading Water Treatment Works-Suurbraak	T02/12-13WTW02	2 420 935	
Upgrading Waste Water Treatment Works-Suurbraak	T02/12-13WTW02	2 444 814	
Upgrading Water Treatment Works-Bufferjagsrivier	T02/12-13WTW01	721 566	
Upgrading Waste Water Treatment Works-Bufferjagsrivier	T02/12-13WTW01	752 473	
Professional Services-Business Plan for ACIP Fund application	T02/12-13/WRP01	94 666	
Upgrading of Streets and Stormwater - Buffelsjag& Rondomskrik	SM-T04/12-13	429 996	
Electrification of Sub-Economic Houses	SM-T12/12-13	275 465	
Upgrading Water Treatment Works	SM-T28/12-13	2 698 758	
Upgrading Water Treatment Works	SM-T29/12-13	964 258	
Construction and Finishes of Exstentions to Buffelsjags Library	SM-T30/12-13	80 956	
Upgrading of Roads and Stormwater Drainage- Rondomskrik	SM-T11/13-14	1 367 777	
Streets rebuild and reseal			1 534 535
Construction of extentions to the Buffelsjagsrivier library			249 060
Waste Water Treatment Works Swellendam		-	20 463 834
		29 910 065	22 247 429

This expenditure will be financed from:

External Loans	2 160 000	-
Government Grants	27 750 065	22 247 429
	29 910 065	22 247 429

FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% Increase in interest rates	(430 633)	(644 545)
0.5% Decrease in interest rates	215 317	322 273

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles.

All rates and services are payable within 30 days from invoice date. Refer to note 20 and 21 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 20 and 21 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

	2014 %	2014 R	2013 %	2013 R
<u>Non-Exchange Receivables</u>				
Rates	-15.38%	(2 196 099)	-17.93%	(2 523 444)

Exchange Receivables

Electricity	6.44%	263 950	-8.33%	(414 112)
Water	9.57%	347 246	0.83%	30 916
Refuse	8.47%	209 534	-0.66%	(15 311)
Sewerage	8.09%	327 994	-2.01%	(78 935)
Other	-17.89%	(326 487)	9.08%	110 654
	<u>5.11%</u>	<u>822 237</u>	<u>-2.27%</u>	<u>(366 787)</u>

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 20 and 21 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime borrowing rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2014 %	2014 R	2013 %	2013 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	14 275 616	100.00%	14 074 767
<u>Exchange Receivables</u>				
Electricity	25.48%	4 097 353	30.77%	4 972 684
Water	22.57%	3 628 612	22.93%	3 705 683
Refuse	15.39%	2 474 354	14.44%	2 334 359
Sewerage	25.21%	4 053 042	24.31%	3 928 941
Other	11.35%	1 825 242	7.54%	1 219 165
	<u>100.00%</u>	<u>16 078 603</u>	<u>100%</u>	<u>16 160 831</u>
	2014 %	2014 R	2013 %	2013 R

Bad debts written off per debtor class:

Non-Exchange Receivables

Rates	0.00%	-	100.00%	937 743
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Exchange Receivables

Electricity	0.00%		11.09%	1 410 260
Water	99.56%	227 076	29.36%	3 733 092
Refuse	0.00%		18.92%	2 405 536
Sewerage	0.00%		25.68%	3 264 520
Other	0.44%	1 001	14.94%	1 899 343
	<u>100.00%</u>	<u>228 077</u>	<u>100.00%</u>	<u>12 712 751</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

	2014 R	2013 R
Financial assets exposed to credit risk at year end are as follows:		
Long term receivables	286 222	347 565
Receivables from exchange transactions	7 670 400	8 199 542
Receivables from non-exchange transactions	11 718 683	177 214
Cash and Cash Equivalents	1 926 617	5 019 646
	<u>21 601 922</u>	<u>13 743 967</u>

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2014				
Long Term liabilities - Annuity Loans	5 591 582	20 308 990	22 310 575	20 959 773
Capital repayments	1 840 811	7 235 335	10 301 547	14 606 587
Interest	3 750 771	13 073 655	12 009 029	6 353 186
Long Term liabilities - Finance Lease Liability	40 275	156 309	-	-
Capital repayments	18 976	150 782	-	-
Interest	21 300	5 527	-	-
Long Term Liabilities - Hire Purchases	281 419	225 321		
Capital repayments	250 043	225 321		-
Interest	31 376		-	-
Provisions - Landfill Sites	3 031 106	-	-	7 952 241
Capital repayments	2 869 609	-	-	3 588 823
Interest	161 497	-	-	4 363 418
Trade and Other Payables	6 894 219.65	-	-	-
Unspent conditional government grants and receipts	4 974 889	-	-	-
	<u>20 813 492</u>	<u>20 690 619</u>	<u>22 310 575</u>	<u>28 912 014</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2013				
Long Term liabilities - Annuity Loans	5 596 869	21 268 293	22 329 975	24 909 407
Capital repayments	1 687 656	7 508 445	9 426 590	17 049 235
Interest	3 909 213	13 759 848	12 903 385	7 860 172
Long Term liabilities - Finance Lease Liability	856 785	291 337	-	-
Capital repayments	798 350	275 325	-	-
Interest	58 435	16 012	-	-
Long Term Liabilities - Hire Purchases	155 302	19 068		
Capital repayments	145 360	18 976		
Interest	9 942	92		
Provisions - Landfill Sites	5 664 155	2 362 460	2 953 076	15 736 955
Capital repayments	4 849 493		-	12 783 879
Interest	814 662	2 362 460	2 953 076	2 953 076
Trade and Other Payables	13 308 982	-	-	-
Unspent conditional government grants and receipts	4 070 775	-	-	-
	<u>29 652 868</u>	<u>23 941 158</u>	<u>25 283 051</u>	<u>40 646 362</u>

2014
R

2013
R

48 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

48.1	<u>Financial Assets</u>	<u>Classification</u>		
	Long-term Receivables			
	Housing Loan Scheme	Financial instruments at amortised cost	286 222	347 565
	Receivables			
	Receivables from exchange transactions	Financial instruments at amortised cost	7 670 400	8 199 542
	Receivables from non-exchange transactions	Financial instruments at amortised cost	11 718 683	177 214
	Other Receivables			
	Government subsidies and grants	Financial instruments at amortised cost	0	
	Current Portion of Long-term Receivables			
	Sport Club Loans	Financial instruments at amortised cost	68 874	61 283
	Short-term Investment Deposits			
	Call Deposits	Financial instruments at amortised cost	-	1 127 493

Bank Balances and Cash

Bank Balances	Financial instruments at amortised cost	1 922 667	3 888 703
Cash Floats and Advances	Financial instruments at amortised cost	3 950	3 450
		21 670 797	13 805 250

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost	21 670 797	13 805 250
At amortised cost	21 670 797	13 805 250

FINANCIAL INSTRUMENTS (CONTINUE)

48.2	<u>Financial Liability</u>	<u>Classification</u>		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	32 143 744	33 984 280
	Capitalised Lease Liability	Financial instruments at amortised cost	293 467	332 679
	Hire Purchases	Financial instruments at amortised cost	-	18 976
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	6 894 220	10 206 982
	Accrued interest	Financial instruments at amortised cost	684 196	698 658
	Retentions	Financial instruments at amortised cost	3 690 808	3 693 116
	Deposits	Financial instruments at amortised cost	110 923	579 024
	Other	Financial instruments at amortised cost	282 071	271 095
	Other Payables			
	Government Subsidies and Grants	Financial instruments at amortised cost	4 974 889	4 070 775
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1 840 811	1 687 656
	Capitalised Lease Liability	Financial instruments at amortised cost	181 897	167 125
	Hire Purchases	Financial instruments at amortised cost	18 976	145 360
			51 116 003	55 855 726

SUMMARY OF FINANCIAL LIABILITY

Financial instruments at amortised cost	51 116 003	55 855 726
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49 EVENTS AFTER THE REPORTING DATE

None

50 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

51 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

52 CONTINGENT LIABILITIES**Guarantees held at First National Bank**

- Eskom R3700
- Department of Minerals and Energy, RSA R20000

Imatu/Samwu wage curve dispute

An Appeal Court judgement is still outstanding between the Employers, represented by SALGA, and the Employee unions to determine if an previous High Court judgement regarding an 8.25% increase on the TASK wage curves, which was in favour of the unions, is payable to the employees or not. Although Swellendam Municipality has fully implemented the TASK salary scales, a possibility exist that an amount, which is unknown at this stage, may be payable to the employees should the Appeal Court also just in favour of the unions.

payable to the employees or not. Although Swellendam Municipality has fully implemented the TASK salary scales, a possibility exist that an amount , which is unknown at this stage, may be payable to the employees should the Appeal Court also just in favour of the unions.

Several minor cases where Council has instituted legal remedies to enforce town planning issues ,of which the total estimated cost amounted to R25000

53 RELATED PARTIES

52.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note 18 to the Annual Financial Statements.

53.1 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

53.2 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

None

SWELLENDAM MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13 Property, Plant and Equipment

30 JUNE 2014

Reconciliation of Carrying Value

			Cost					Accumulated Depreciation and Impairment Losses						Carrying Value	
	Opening	Additions	Transfer to	Correction	Work- In	Disposals/Write	Closing	Opening	Correction	Depreciation	Provision for	Assets held	Disposals/Write	Closing	
	Balance	R	Assets held	of errors	Progress	off	Balance	Balance	of errors	Charge	impairment	for sale	off	Balance	R
	R	R	for sale			R	R	R		R			R	R	
Land and Buildings	38 376 346	389 975	-	-	-	-1 165 501	37 600 821	405 663		98 967	8 185 801	-	(38 532)	8 651 900	28 948 921
Land	28 083 116	-				(450 736)	27 632 380	-		-	7 892 286		-	7 892 286	19 740 094
Buildings	6 338 326	-				(714 764)	5 623 562	339 137		55 776	242 725		(38 532)	599 106	5 024 457
Fencing	205 848	-					205 848	3 433		2 057				5 490	200 358
Municipal Buildings	3 749 057	389 975					4 139 032	63 094		41 134	50 790			155 018	3 984 013
Infrastructure	202 783 158	19 759 982				(114 112)	222 429 028	39 367 554		6 235 055			(20 535)	45 582 074	176 846 953
Bridges, subways & culverts	11 232 562	-					11 232 562	851 459		146 292			-	997 751	10 234 811
Mains	23 386 977	-					23 386 977	7 881 549		712 100			-	8 593 649	14 793 329
Meters	1 835 818	-					1 835 818	785 916		54 593			-	840 509	995 309
Other	11 374 236	-					11 374 236	647 368		217 458				864 826	10 509 411
Other roads	38 650 624	-				(114 112)	38 536 512	10 928 558		3 149 610			(20 535)	14 057 633	24 478 880
Pump stations	2 184 157	-					2 184 157	845 306		155 151				1 000 457	1 183 700
Purification works	2 580 065	-					2 580 065	1 235 229		154 092				1 389 321	1 190 744
Reservoirs & tanks	8 579 010	-					8 579 010	3 047 068		228 032				3 275 100	5 303 910
Sewers	23 004 609	-					23 004 609	9 060 747		863 905				9 924 652	13 079 957
Supply/reticulation	19 312 101	-					19 312 101	3 651 362		519 519				4 170 881	15 141 220
Switchgear equipment	294 645	-					294 645	103 925		8 760				112 685	181 960
Traffic lights	514 274	-					514 274	329 068		25 545				354 613	159 661
Work in progress	59 834 078	19 759 982					79 594 060	-		-				-	79 594 060
Community Assets	14 486 861	-				-	14 486 861	487 688	-	98 518	800 052		-	1 386 258	13 100 601
Cemeteries	139 000	-				-	139 000	867		173			-	1 040	137 960
Clinics/hospitals	327 074	-					327 074	14 158		2 832				16 990	310 084
Community Centres	2 520 189	-					2 520 189	124 832		32 690				157 522	2 362 667
Indoor Sports	1 231 320	-					1 231 320	47 657		11 165	3 500			62 322	1 168 998
Libraries	3 031 029	-					3 031 029	109 524		21 277	138 742			269 543	2 761 485
Office Buildings	2 089 003	-					2 089 003	70 643		12 461	78 310			161 414	1 927 589
Outdoor sports facilities	2 116 000	-					2 116 000	57 606		176	212 000			269 782	1 846 218
Parks	2 834 611	-					2 834 611	42 560		8 512	367 500			418 572	2 416 039
Public conveniences/bathhouses	38 566	-					38 566	3 823		1 234				5 057	33 508
Tip sites	160 070	-					160 070	16 018		7 998				24 016	136 054
Lease Assets	542 560	204 988				-	747 548	40 110	-	246 405			-	286 515	461 033
Office Equipment	542 560	204 988				-	747 548	40 110		246 405			-	286 515	461 033
Heritage Assets	-	-				-	-	-	-	-			-	-	-
Buildings	-	-				-	-	-		-			-	-	-
Other Assets	18 963 863	902 408				(185 368)	19 680 903	8 260 483	-	1 700 145			(103 475)	9 857 153	9 823 750
Air conditioners	359 914	73 951				(13 002)	420 863	201 176		28 719			(10 421)	219 474	201 390
Cabinets/cupboards	771 808	40 062				(3 497)	808 373	211 605		37 729			(3 035)	246 299	562 074
Chairs	1 068 413	29 790				(23 162)	1 075 041	279 207		63 460			(14 311)	328 357	746 684
Computer hardware	2 000 327	439 753				(7 770)	2 432 310	1 011 021		201 705			(6 694)	1 206 032	1 226 277
General plant	706 849	-					706 849	455 294		77 627				532 921	173 927
Generator	254 508	-					254 508	120 984		29 405				150 389	104 119
Graders	1 136 080	-					1 136 080	325 291		57 549				382 840	753 240
Lawnmowers	155 002	141 281					296 284	51 368		24 623				75 991	220 294
Mechanical horses	1 261 589	-				(10 546)	1 251 043	496 671		47 253			(6 814)	537 110	713 933
Miscellaneous furniture	757 488	55 293				(2 366)	810 415	359 501		67 856			(1 843)	425 514	384 902
Office machines	351 869	4 053				(4 941)	350 981	205 379		28 324			(4 937)	228 766	122 215
Radio equipment	172 965	-					172 965	117 202		5 215			-	122 417	50 549
Security systems	108 663	-				(5 321)	103 342	37 216		19 464			(2 576)	54 103	49 238
Tables/desks	881 977	34 554				(4 963)	911 567	208 437		46 310			(1 488)	253 260	658 307
Telecommunication equipment	148 120	-					148 120	106 940		10 289				117 229	30 892
Tipsters	-0	-					-0	-		-				-	-0
Tools	804 357	83 671				(8 874)	879 154	460 053		82 106			(7 576)	534 583	344 569
Tracktors	231 143	-					231 143	74 119		22 203				96 322	134 820
Trucks/bakkies	6 841 949	-				(100 926)	6 741 023	3 095 261		737 497			(43 779)	3 788 979	2 952 044
Vehicles	950 845	-					950 845	443 758		112 811				556 568	394 277
	275 152 788	21 257 353				(1 464 981)	294 945 161	48 561 499		8 379 090	8 985 853		(162 542)	65 763 900	229 181 259

SWELLENDAM MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

30 JUNE 2013

Reconciliation of Carrying Value

	Opening Balance R	Additions R	Transfer to Assets held for sale	Cost Correction of errors	Work In- Progress	Disposals R	Closing Balance R	Opening Balance R	Correction of errors	Accumulated Depreciation and Impairment Losses Depreciation Charge R	Transfer to Assets held for sale	Disposals R	Closing Balance R	Carrying Value R
Land and Buildings	35 567 748	2 177 853	-	630 746		-	38 376 346	257 754	53 345	94 563		-	405 664	37 970 682
Land	28 094 864	426 847		-438 595		-	28 083 116	-				-	-	28 083 116
Buildings	5 055 641	213 344		1 069 341		-	6 338 326	226 454	53 345	59 338		-	339 137	5 999 190
Fencing	205 848						205 848	8 946	-7 570	2 057		-	3 433	202 415
Municipal Buildings	2 211 394	1 537 662					3 749 057	22 355	7 570	33 169		-	63 094	3 685 962
Infrastructure	160 434 951	42 353 441				(5 234)	202 783 155	34 788 724		4 580 578		(1 727)	39 367 575	163 415 583
Bridges, subways & culverts	10 355 375				877 187		11 232 563	726 466		125 014		-	851 480	10 381 082
Mains	23 386 977				-		23 386 976	7 273 726		607 823		-	7 881 549	15 505 429
Meters	1 835 818				-		1 835 818	733 506		52 410		-	785 916	1 049 902
Other	11 374 236						11 374 235	449 437		197 931			647 368	10 726 868
Other roads	38 650 624						38 650 624	8 899 644		2 028 914		10 928 558	27 722 067	
Pump stations	2 184 157						2 184 157	741 960		103 346			845 306	1 338 851
Purification works	2 554 888				25 177		2 580 065	1 127 949		107 280			1 235 229	1 344 836
Reservoirs & tanks	8 509 010				70 000		8 579 009	2 843 507		203 561			3 047 069	5 531 942
Sewers	23 004 609						23 004 609	8 308 126		752 621			9 060 747	13 943 862
Supply/reticulation	17 839 907				1 477 428	(5 234)	19 312 100	3 283 152		369 937		(1 727)	3 651 362	15 660 739
Switchgear equipment	294 645						294 645	96 268		7 657			103 925	190 720
Traffic lights	514 274						514 274	304 983		24 085			329 068	185 206
Work in progress	19 930 429	42 353 441			(2 449 792)		59 834 078	-					-	59 834 078
Community Assets	14 424 543	62 317	-	-		-	14 486 861	372 569	1 912	113 207		-	487 688	13 999 172
Cemeteries	139 000	-				-	139 000	-	867			-	867	138 133
Clinics/hospitals	327 074						327 074	11 326		2 832			14 158	312 916
Community Centres	2 512 494	7 695					2 520 189	92 215	-156	32 773			124 832	2 395 357
Indoor Sports	1 231 320						1 231 320	36 334		11 323			47 657	1 183 663
Libraries	2 976 407	54 622					3 031 029	86 472		23 052			109 524	2 921 505
Office Buildings	2 089 003						2 089 003	56 441		14 202			70 643	2 018 360
Outdoor sports facilities	2 116 000						2 116 000	46 085		11 521			57 606	2 058 394
Parks	2 834 611						2 834 611	33 087	1 201	8 272			42 560	2 792 051
Public conveniences/bathhouses	38 566						38 566	2 589		1 234			3 823	34 742
Tip sites	160 070						160 070	8 020		7 998			16 018	144 052
Lease Assets	6 153	536 407				-	542 560	4 919		35 191		-	40 110	502 450
Office Equipment	6 153	536 407				-	542 560	4 919		35 191		-	40 110	502 450
Other Assets	18 697 104	249 901	-312 050	343 723		(14 819)	18 963 865	6 352 238	146 221	1 867 548	-103 550	(1 974)	8 260 483	10 703 400
Air conditioners	340 864	9 560	-10 086	19 575			359 914	147 941	11 427	50 207	-8 399	-	201 176	158 739
Cabinets/cupboards	734 136	15 152	-1 447	36 521		(12 554)	771 808	161 404	9 666	43 838	-2 002	(1 301)	211 605	560 203
Chairs	1 023 017	15 774	-2 854	33 675		(1 199)	1 068 414	206 158	8 802	66 980	-2 493	(240)	279 207	789 207
Computer hardware	1 788 353	93 898	-1 654	119 731			2 000 327	650 963	64 198	297 254	-1 394		1 011 021	989 308
General plant	696 589	5 155	-5 121	10 226			706 850	374 508	5 109	79 942	-4 265		455 294	251 555
Generator	251 935			2 573			254 508	75 848	1 286	43 850			120 984	133 525
Graders	1 136 080						1 136 080	168 617		156 674			325 291	810 790
Lawnmowers	164 015						164 015	55 314		26 257			51 368	103 636
Mechanical horses	1 305 038	24 646	-33 659	3 466			1 261 589	394 919	1 155	100 597	-30 203		496 671	764 920
Miscellaneous furniture	694 031	11 587	-11 254	63 288		(165)	757 488	276 789	17 895	73 491	-8 575	(99)	359 501	397 967
Office machines	341 222	5 300	-1 501	6 848			351 869	143 696	3 427	59 506	-1 250		205 379	146 491
Radio equipment	172 965						172 965	90 828		26 374			117 202	55 764
Security systems	108 663						108 663	16 875		20 341			37 216	71 448
Tables/desks	827 476	52 745		1 885		(129)	881 977	159 524	471	48 468		(26)	208 437	673 541
Telecommunication equipment	148 120						148 120	96 651		10 289			106 940	41 181
Tipsters	-0						-0	-					-	-0
Tools	743 717	16 084		45 327		(772)	804 357	346 385	22 480	91 496		(308)	460 053	344 304
Tracktots	231 143	-					231 143	94 919		-20 800			74 119	157 025
Trucks/bakkies	7 002 124	-	-160 175				6 841 949	2 551 475		571 268	-27 482		3 095 261	3 746 689
Vehicles	987 617	-	-37 383	611			950 845	339 424	305	121 516	-17 487		443 758	507 088
	229 130 498	45 379 919	-312 050	974 469		(20 053)	275 152 787	41 776 203	201 477	6 691 087	-103 550	(3 700)	48 561 520	226 591 287

13 PROPERTY, PLANT AND EQUIPMENT

GRAP 17 - Property, Plant and Equipment

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;
Property, Plant and Equipment financed by way of finance leases;
Property, Plant and Equipment financed by way of provisions;
Property, Plant and Equipment transferred as a result of the transfer of functions; and
Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2011 financial statements. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality therefore did not utilise the transitional provision in the following areas:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

APPENDIX A - Unaudited
SWELLEDAM LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2013	Correction	Balance at 30 JUNE 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2014
ANNUITY LOANS									
L.F.P.O.-SEWERAGE (INDUSTRIAL)- LOAN FUND	15.90%		2013	0		-			-
STREETS - DBSA	8.08%		2021	245 629		245 629		30 704	214 925
UPGRADING OF ELECTRICAL NETWORK-DBSA	8.53%		2021	894 717		894 717		105 261	789 456
INFRASTRUCTURE-DBSA	8.53%		2017	464 377		464 377		103 195	361 182
INFRASTRUCTURE- PHASE 2-DBSA	10.56%		2024	3 946 545		3 946 545		203 704	3 742 841
INFRASTRUCTURE- PHASE 4-DBSA	9.26%		2017	2 805 753		2 805 753		609 363	2 196 390
INFRASTRUCTURE- PHASE 3-DBSA	8.89%		2025	4 014 462		4 014 462		185 709	3 828 753
INFRASTRUCTURE-2007-DBSA	11.12%		2029	4 131 285		4 131 285		101 685	4 029 600
INFRASTRUCTURE-2008-DBSA	12.20%		2030	19 169 168	-	19 169 168	-	347 761	18 821 407
Total Annuity Loans				35 671 936	-	35 671 936	-	1 687 381	33 984 555
HIRE PURCHASES									
West Bank Vehicles Finance				164 336		164 336		145 360	18 976
Total Hire Purchase Liabilities				164 336	-	164 336		145 360	18 976
LEASE LIABILITY									
Vehicles and office equipment				499 803	-	499 803	204 988	229 427	475 364
Total Lease Liabilities				499 803	-	499 803	204 988	229 427	475 364
TOTAL EXTERNAL LOANS				36 336 075	-	36 336 075	204 988	2 062 167	34 478 895

APPENDIX B - Unaudited
SWELLENDAAM LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
MUNICIPAL VOTES CLASSIFICATION

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Budgeted Income	2014 Actual Income R	2014 Budgeted Expenditure	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
			ABBATOIR			0		
477 816	(468 193)	9 624	BUILDING CONTROL	450 000	524 324	693 883	(490 425)	33 898
651 045	(763 075)	(112 031)	CARAVAN PARK	472 200	662 399	1 182 147	(747 935)	(85 536)
15 987	(66 993)	(51 006)	CEMETERIES	27 000	32 449	148 200	(143 593)	(111 145)
225 841	(277 208)	(51 368)	COMMONAGE	177 400	71 464	677 000	(471 087)	(399 622)
9 465 571	(3 785 541)	5 680 030	COMMUNITY SERVICES	25 634 982	17 340 541	28 457 115	(20 298 015)	(2 957 474)
1 756	(5 306 349)	(5 304 594)	CORPORATE SERVICES	3 000	5 119	5 999 665	(5 772 049)	(5 766 930)
41 024 584	(14 356 488)	26 668 096	COUNCIL GENERAL	48 460 482	49 637 886	15 534 287	(31 893 011)	17 744 875
1 909 546	(3 474 346)	(1 564 800)	ELECTRICITY ADMIN	11 000	11 787	3 953 360	(3 299 605)	(3 287 818)
45 281 295	(37 508 379)	7 772 916	ELECTRICITY NETWORK	59 631 400	51 644 511	45 546 944	(38 977 026)	12 667 485
35 065 418	(8 078 711)	26 986 707	ENGINEERS SERVICES	29 795 500	19 959 865	7 113 299	(9 220 306)	10 739 560
5 346 635	(18 272 518)	(12 925 882)	FINANCIAL SERVICES	5 860 671	5 516 083	21 989 191	(21 059 647)	(15 543 564)
61 731	(446 028)	(384 297)	HALLS	63 000	80 433	538 463	(525 748)	(445 315)
-	(15 719)	(15 719)	IDP	0	-	62 960	(86 340)	(86 340)
243 418	(638 396)	(394 978)	IRRIGATION WATER	280 000	270 478	908 532	(611 005)	(340 527)
1 783 561	(2 820 412)	(1 036 851)	LIBRARY	4 478 988	4 083 511	3 676 001	(3 483 492)	600 018
-	(490 872)	(490 872)	LOCAL ECONOMIC DEVELOPMENT	0	-	574 614	(353 788)	(353 788)
171 029	(54 000)	117 029	MAIN ROADS	23 000	-	23 000	-	-
-	(5 577 195)	(5 577 195)	MUNICIPAL MANAGER	66 000	-	5 044 936	(6 003 381)	(6 003 381)
-	(242 575)	(242 575)	OFFICE BUILDINGS	0	-	87 000	(73 169)	(73 169)
-	(4 605 480)	(4 605 480)	PARKS	0	-	5 996 225	(5 580 914)	(5 580 914)
11 061	(12 917)	(1 856)	POUND	4 000	42 562	14 000	(12 449)	30 113
5 397 591	(5 515 137)	(117 546)	REFUSE	7 100 000	22 140 536	7 433 458	(4 559 440)	17 581 096
168 300	(160 397)	7 903	RENTED BUILDINGS	162 000	161 169	23 000	(2 516)	158 653
-	(1 407 118)	(1 407 118)	SEWERAGE ADMINISTRATION	0	-	1 108 947	(1 021 334)	(1 021 334)
10 312 528	(3 305 818)	7 006 710	SEWERAGE NETWORK	12 803 500	11 222 252	1 994 025	(1 931 344)	9 290 908
-	(1 491 503)	(1 491 503)	SEWERAGE PURIFICATION	0	-	1 464 693	(1 355 928)	(1 355 928)
2 740	(207 049)	(204 309)	SPORTS AND RECREATIONS	900	3 754	393 000	(235 527)	(231 772)
-	(268 991)	(268 991)	STORES	0	-	299 325	(279 626)	(279 626)
-	(442 660)	(442 660)	STORMWATER	0	1 942	750 000	(837 782)	(835 840)
78	(1 026 931)	(1 026 853)	STREET LIGHTS	0	78	1 189 800	(1 219 741)	(1 219 663)
6 018	(5 304 274)	(5 298 256)	STREETS	8 000	10 161	8 361 563	(9 189 810)	(9 179 649)
124 319	(314 870)	(190 551)	THUSONG MULTIPURPOSE CENTER	110 000	236 586	413 340	(402 107)	(165 521)
-	(999 639)	(999 639)	TOURISM	0	-	1 089 500	(1 082 422)	(1 082 422)
156 016	(1 041 477)	(885 460)	TOWN PLANNING	156 000	193 831	1 231 154	(1 274 287)	(1 080 457)
4 531 831	(5 198 539)	(666 708)	TRAFFIC AND LICENSING	5 213 500	17 770 586	6 832 431	(15 482 966)	2 287 620
-	(69 908)	(69 908)	WATER DAMS	0	-	32 500	(14 464)	(14 464)
8 632 601	(4 039 761)	4 592 839	WATER NETWORK	10 594 699	9 119 041	5 426 837	(4 577 870)	4 541 171
-	(3 702 424)	(3 702 424)	WATER PURIFICATION	0	-	4 251 524	(3 527 373)	(3 527 373)
-	(176 473)	(176 473)	WATER WORKS	0	-	117 000	(126 188)	(126 188)
-	(504 439)	(504 439)	WORKSHOP FLEET	0	-	813 801	(475 019)	(475 019)
171 068 315	(142 438 804)	28 629 511	TOTAL	211 587 222	210 743 346	191 446 720	(196 698 727)	14 044 619

INTERNAL CHARGES

APPENDIX C - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Budgeted Income	2014 Actual Income R	2014 Budgeted Expenditure	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
41 886 013	(21 449 715)	20 436 298	Corporate Services	49 246 882	50 432 623	(24 135 989)	(39 900 859)	10 531 764
168 300	(7 243 822)	(7 075 522)	Municipal Manager	228 000	161 169	(6 795 010)	(7 528 446)	(7 367 277)
22 045 436	(23 736 042)	(1 690 605)	Community Services	43 104 570	62 393 357	(55 084 380)	(51 472 188)	10 921 169
101 621 931	(71 467 718)	30 154 213	Engineers Service	113 147 099	92 240 114	(83 142 825)	(76 457 960)	15 782 153
5 346 635	(18 541 508)	(13 194 873)	Finance Service	5 860 671	5 516 083	(22 288 516)	(21 339 274)	(15 823 191)
171 068 315	(142 438 804)	28 629 511	Total	211 587 222	210 743 346	(191 446 720)	(196 698 727)	14 044 619
			INTERNAL CHARGES					
					210 743 346		(196 698 727)	14 044 619

APPENDIX D - Unaudited
SWELLENDAM LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2013	Correction of error	Balance 1 JULY 2013	Grants Received	Grants withhold	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2014
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R		R	R	R
<u>National Government Grants</u>								
Equitable Share	-	-	-	19 857 000		(19 857 000)		-
Local Government Financial Management Grant	-	-	-	1 400 000		(1 400 000)		-
Integrated National Electrification Programme (Eskom) Grant	-	-	-					-
Municipal Infrastructure Grant	-	-	-	11 042 000		(552 100)	(10 489 900)	-
Municipal Systems Improvement Grant	-	-	-	890 000		(890 000)		-
RBIC	-	-	-	7 897 887			(7 897 887)	(0)
EPWP	-	-	-	1 000 000		(1 000 000)		-
Total National Government Grants	-	-	-	42 086 887	-	(23 699 100)	(18 387 787)	(0)
<u>Provincial Government Grants</u>								
Social Plan Fund	26 392		26 392	-				26 392
Upgrade : Library Suurbraak	520		520			(520)		0
Structure Plan	1 014		1 014			(1 014)		0
Disaster Management System	5 894		5 894			(5 894)		0
Project Preparation	7 700		7 700			(7 700)		-
Economic Development Plan	50 000		50 000					50 000
Multi Purpose Sentrum	86 225		86 225			(8 300)		77 925
Electricity Master Plan	11		11			(11)		0
Library Services	74 128		74 128	344 000		(394 461)		23 667
Community Development Workers	-		-					-
Emergency Housing - Malgas	33 622		33 622					33 622
Housing Projects	1 292 982		1 292 982	19 918 651		(17 288 959)		3 922 674
Transformation Cost	1 075		1 075			(1 076)		(1)
Financial Support	1 232 971		1 232 971	450 000		(1 682 971)		(0)
Municipal Replacement Fund	722 527		722 527	3 341 000		(3 245 660)	(401 102)	416 765
Main Road Maintenance Subsidy			-					-
Seta	435 362		435 362	92 369		(194 859)		332 873
Human Settlements								-
Organisational Design Project				1 100 000		(1 100 000)		-
Revenue Enhancement								-
Government Funeral				100 000		(100 000)		-
Total Provincial Government Grants	3 970 423	-	3 970 423	25 346 020		(24 031 424)	(401 102)	4 883 918
<u>District Municipality Grants</u>								
	-	-	-	-		-	-	-
	-	-	-	-		-	-	-
Total District Municipality Grants	-	-	-	-		-	-	-
<u>Other Grant Providers</u>								
Swelldam Festival	7	-	7			(7)		(0)
Vegetable Project - Barrydale	81 723	-	81 723					81 723
Masabanbane Projects	9 248	-	9 248					9 248
EMP Railton Erf 5269	9 374	-	9 374			(9 375)		(1)
		-	-	-		-	-	-
Total Other Grant Providers	100 352	-	100 352	-		(9 382)	-	90 970
Total	4 070 775	-	4 070 775	67 432 907	-	(47 739 906)	(18 788 889)	4 974 888

Name of municipality:	SWELLEN SWELLENDAM	
Full name (Senqu Municipality):	SWELLENDAM LOCAL MUNICIPALITY	
Type (Municipality/District Municipality):	MUNICIPALITY	
End of Current Financial Year:	30 JUNE 2014	30 JUNE 2014
Start of Current Financial Year:	1 JULY 2013	
End of Previous Financial Year:	30 JUNE 2013	30 JUNE 2013
Start of Previous Financial Year:	1 JULY 2012	
Current Financial Year:	2014	
Previous Financial Year:	2013	
2x Previous Financial Year:	2012	